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PM-KUSUM Scheme: Solar Pumps, Components A, B, C and Exam Facts

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PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan) is the Ministry of New and Renewable Energy's flagship scheme to solarise Indian agriculture: it helps farmers set up small solar power plants, buy standalone solar pumps and solarise their existing grid-connected pumps, so that irrigation runs on daytime solar power instead of diesel and subsidised grid electricity.

What Is PM-KUSUM?

PM-KUSUM was approved by the Cabinet Committee on Economic Affairs in February 2019 and launched in March 2019 by the **Ministry of New and Renewable Energy (MNRE)**. It is a Central Sector scheme with Central Financial Assistance (CFA) flowing through the state implementing agencies and the power distribution companies (DISCOMs).

- **Aim:** energy security and additional income for farmers, and de-dieselisation of the farm sector.
- **Target:** about **34,800 MW of solar capacity** by 31 March 2026 (the original target of 25,750 MW by 2022 was scaled up and the scheme's tenure was extended).
- **Central support:** roughly **Rs 34,422 crore** of Central Financial Assistance over the scheme period.

The Three Components

- **Component A - decentralised solar plants:** 10,000 MW of small grid-connected renewable plants of **500 kW to 2 MW** each, set up by farmers, groups of farmers, cooperatives, panchayats, FPOs and water user associations on barren, fallow, pasture or agricultural land (stilt-mounted plants let cultivation continue). The DISCOM buys the power at a feed-in tariff fixed by the State Electricity Regulatory Commission. DISCOMs receive a **Procurement-Based Incentive (PBI)** of Rs 0.40 per kWh or Rs 6.6 lakh per MW per year, whichever is lower, for five years.
- **Component B - standalone solar pumps:** installation of about **14 lakh standalone solar agriculture pumps** of up to 7.5 HP in off-grid areas, replacing diesel pumps.
- **Component C - solarisation of grid-connected pumps:** solarising about **35 lakh grid-connected agriculture pumps**, either individually (Individual Pump Solarisation) or through **Feeder Level Solarisation (FLS)**, so that farmers get reliable daytime power and can sell surplus electricity to the DISCOM.

How the Subsidy Works

- For Components B and C the cost is shared **30% Central Financial Assistance, 30% state subsidy and 40% by the farmer**; the farmer's share can be financed through bank loans.
- In the North-Eastern states, hill states (Himachal Pradesh, Uttarakhand, Jammu and Kashmir, Ladakh) and the island territories the Central share rises to **50%**, the state gives 30% and the farmer pays only 20%.
- Component A has no capital subsidy for the farmer; the incentive is the assured purchase of power at the regulated tariff, with the PBI paid to the DISCOM.

Why the Scheme Matters

- **Farmers' income:** a farmer who solarises a pump or sets up a small plant earns from surplus power sold to the grid, in addition to saving on diesel.
- **DISCOM finances:** agricultural power is heavily subsidised; daytime solar supply cuts the subsidy burden and transmission losses.
- **Environment:** at full deployment the scheme is expected to avoid around **32 million tonnes of CO2 a year** and reduce diesel consumption in agriculture.
- **Grid:** decentralised generation close to the load reduces the need for long transmission lines.

Progress and Recent Developments

- Component B (standalone pumps) has been the fastest-moving part of the scheme, with several lakh pumps sanctioned and installed across states such as Maharashtra, Haryana, Rajasthan, Uttar Pradesh and Punjab; Feeder Level Solarisation under Component C has picked up in Maharashtra and Rajasthan.
- The scheme tenure was extended to **31 March 2026** to meet the revised target.
- Reports in 2026 suggest a **PM-KUSUM 2.0** with wider coverage is under consideration; the basic architecture of the three components is expected to continue.

Important Facts for Exams

- Full form: Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan; Ministry: MNRE; launched March 2019.
- Three components: A (500 kW-2 MW plants, 10,000 MW), B (14 lakh standalone pumps), C (35 lakh grid-connected pumps solarised).
- Subsidy pattern: 30% Centre, 30% state, 40% farmer (50-30-20 in NE, hill and island regions).
- PBI to DISCOMs: Rs 0.40 per unit or Rs 6.6 lakh per MW per year, whichever is lower, for five years.
- Target: about 34,800 MW by 31 March 2026; central support about Rs 34,422 crore.
- Feeder Level Solarisation (FLS) is the model where an entire agricultural feeder is fed by a solar plant.

FAQs

Who can apply under Component A of PM-KUSUM?

Individual farmers, groups of farmers, cooperatives, panchayats, Farmer Producer Organisations and Water User Associations can set up plants of 500 kW to 2 MW within five kilometres of a substation; a developer can also build the plant on the farmer's land against lease rent.

What is the difference between Components B and C?

Component B gives a new standalone solar pump where there is no grid supply; Component C adds solar capacity to a pump that already runs on grid power, so the farmer keeps the grid connection and can sell surplus solar power.

How is PM-KUSUM relevant for NABARD and RBI exams?

It is a standard question area under agriculture finance and renewable energy: the three components, the 30-30-40 subsidy, the MNRE ministry and the capacity target are the most asked facts.

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