

F. No. 320/14/2017-NSM
Government of India
Ministry of New and Renewable Energy
(National Solar Mission Division)

Block-14, CGO Complex
Lodhi Road, New Delhi-110003
09-03-2019

OFFICE MEMORANDUM

Subject: Modifications in Scheme for "Development of Solar Parks and Ultra Mega Solar Park Scheme"-reg.

The undersigned is directed to refer to the Guidelines for implementation of Scheme for "Development of Solar Parks and Ultra Mega Solar Power Project" issued vide this Ministry's order no. 30/26/2014-15/NSM dated 21-03-2017 and subsequent modifications dated 22-05-2018, 18-09-2018 & 05-02-2019 and to convey the following modifications under the above Scheme:

2. In order to address the two most critical elements such as land and power evacuation infrastructure for solar parks, a new mode (Mode 7) is being introduced for development of Renewable Energy Parks (Solar or Wind or Hybrid or other RE parks) through Solar Energy Corporation of India Ltd. (SECI). The strategies for implementation of RE parks under Mode 7 are as under:
 - i. With assistance of the State Government, SECI will make both government and private land available to be used by successful bidder for setting up RE power projects. The State Government providing such facilitation for land identification and making its right of use available to SECI would be paid a facilitation charge of Rs 0.02/unit of power being generated in these parks. This facilitation charge would be paid by the RE project developers for setting up projects in these lands, in addition to any land cost in terms of outright sale or lease rent. No funds from CFA will be used for procurement of land.
 - ii. SECI will act as the Solar Power Park Developer (SPPD) including other renewable energy sources. SECI will get the external power evacuation infrastructure of the parks developed by External Transmission Development Agency (ETDA) like CTU, STU as the case may be. However, the internal infrastructures of the RE park like internal power evacuation system, road, water, levelling of land, fencing, telecommunication & other facilities as mentioned in the Solar Park Scheme and also battery storage if required would be done by the RE project developers at its own cost and would be factored in the tariff to be bid by the RE project developers. The RE project developers will not be provided with any CFA for development of internal infrastructures of the RE park. However, the essential components of internal infrastructure which need to be put in place by the RE project developers may be indicated separately by the RE project



developers and the same may be eligible for availing line of credit if the financial institution has separate product to fund the RE parks.

- iii. Under the existing Solar Park Scheme, there is a provision of providing CFA of Rs. 20 lakh per MW or 30% of the project cost whichever is less for setting up of both internal infrastructure and external power evacuation infrastructure. Presently, around 16,650 MW capacity is still to be allocated under the scheme. The entire CFA available for this spare capacity under the Solar Park Scheme would now be utilized for Mode-7 except for special cases with approval of Hon'ble Minister, NRE. Further, there is scope of cancellation of few solar parks due to its slow progress. These cancelled capacities may also be included under the present proposal. Under Mode-7, the entire CFA would be apportioned for setting up external power evacuation infrastructure as laid down in para (iv) below.
- iv. The funds available for the 16,650 MW spare capacity under the Solar Park Scheme will be utilised for development of external power evacuation infrastructure by the External Transmission Development Agency (ETDA) for putting up the external transmission network, and instead of 60:40 ratio between development of internal infrastructure of solar park and external transmission system, the new ratio would be 0:100. Since Rs. 20 lakh per MW provided under Solar Park Scheme may not be enough to set up transmission system, the following additional mechanism is proposed:
 - a. The total cost of any transmission network for any parcel of land would be divided by the total capacity of RE projects planned to be set up on that land parcel and utilizing the said transmission capacity to get the per MW cost.
 - b. 40% of the cost of transmission system, subject to a minimum of Rs 10 lakh per MW (or the total cost if it is less than Rs 10 lakh per MW) and a maximum of Rs 30 lakh per MW would be borne by the RE project developers. The successful RE project developers selected through competitive bidding process shall be charged as upfront charges and collected by SECI. SECI will make this amount available to the ETDA for putting up the external transmission system.
 - c. The balance CFA for spare 13,650 MW under the Solar Park Scheme would be made available at the rate Rs 20 lakh/MW or 30% of the total cost for development of external power evacuation system, whichever is less, [provided that the total of (b) & (c) above does not exceed the total cost for development of external power evacuation system] to the ETDA for putting up the external transmission network.
 - d. Remaining cost, if any, shall be socialised as is done presently for RE projects.
- v. Further, to make the setting of RE projects in such parks more attractive, a Payment Security Mechanism will be set up by SECI to ensure continuous payment to the power developers and mitigate any payment risk due to default in payment by the DISCOMs in any month. This will be in the form of a common dedicated Payment Security Fund (PSF) for all projects in the RE parks created under the scheme. This PSF would be




build up over time by SECI by levying a charge of Rs. 0.02/unit from the RE project developers setting up projects in these RE parks.

vi. The facilitation charges of Rs 0.02/unit to the State Governments, the share of cost of transmission system and Payment Security Fund charges of Rs. 0.02/unit from the RE project developers would be included by SECI while calling bids for selection of RE project developers.

3. The CFA under the Solar Park Scheme is released to SECI on achievement of five different milestones by the SPPDs and three different milestones by the CTU/STUs. However, now a lump sum estimated amount of CFA would be released to SECI in two installments for all solar park projects (earlier sanctioned solar parks and to be sanctioned under Mode-7). The first installment of 50% of the anticipated expenditure under the scheme or allocated budget under the scheme whichever is less, would be released at the beginning of the financial year. SECI after due diligence of achievement each milestone as mentioned in the Solar Park Schemes dated 12-12-2014, 21-03-2017 and its modifications thereafter and upon fulfillment of the T&C of the Scheme would release the CFA to the ETDA/s/SPPDs as early as possible. The funds should be kept in an interest-bearing bank account by SECI and the accrued interest should be credited towards the MNRE CFA. A statement of the interest accrued will have to be submitted at the end of the financial year. The second installment would be released only after SECI disbursed at least 75% of the fund released in first installment and upon submission of provisional Statement of Expenditure and Utilization Certificates for the previous year.

4. This issues with the approval of the Hon'ble Minister, Power & NRE.


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To:

1. **Principal Secretary** (Power/Energy/Renewable Energy) of States
2. **Managing Director**, Solar Energy Corporation of India, 1st Floor, D-3, A Wing, Religare Building, District Centre, Saket, New Delhi – 110017
3. **All Solar Power Park Developers** (SPPDs)

Copy to:

1. Sr PPS to Secretary, MNRE
2. PPS to AS, MNRE
3. PS to AS&FA, MNRE,
4. PS to Adv. (NSM)
5. Dir, NIC for uploading on MNRE website