

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
22nd May, 2018

OFFICE MEMORANDUM

Subject: Modifications in selection of Solar Power Park Developers (SPPDs) for development of solar parks under the 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 21st March, 2017 and to furnish the following modifications on the provision under clause 3 thereof:

2. In order to bring more transparency, in selection of private entrepreneurs for development of solar parks under Mode-4 of the Solar Park Scheme, the private entrepreneurs may be selected in following manner:

a) **Methods of Discovery of transparency:**

- i. **Mode 4A:** If the land is made available by the State Government or any Government agency, then the Solar Power Park Developer (SPPD) may be selected based on open bidding on development and O&M charges. The lowest bidder would be selected based on the lowest NPV of Park Development cost plus O&M charges per MW and the SPPD would be allowed to sell/lease land to Solar Project Developer (SPDs) at a cost arrived at by adding the land cost as fixed by the State Government and his quoted development charge.
- ii. **Mode 4B:** If the land is to be provided by the solar park developer itself then the bidding for selection of the SPPD would be based on his quoted price of developed land per MW and O&M charges. That is, bidders would have to quote the price of developed park land and the O&M charges per MW, they would charge from the SPDs. The park developer who quotes the lowest NPV of developed land price plus O&M charges per MW would be the successful bidder for solar park development.

b) In this case, the CFA of Rs. 12 lakh/MW to SPPD may be provided back-ended i.e. after issue of Letter of Award (LOA) of the solar power projects to come in the solar park and as per the milestones mentioned in the Solar Park Scheme dated 21-03-2017. Thus, the SPPD should have eligible as per both the parameters i.e. the milestones mentioned in the Administrative Guidelines vide order no. 30/26/2014-15/NSM dated 21st March, 2017 should have been achieved and LOA for solar power projects should have been issued by SECI/NTPC/MNRE designated agency for setting up of solar power projects. However, the CFA of Rs. 8 lakh/MW to CTU/STU may be released as per scheme guidelines applicable to existing Modes 1, 2 & 3.

c) If the solar park approved to private entrepreneurs is not completed within 18 months of in-principle approval, the approval may be cancelled and the grid connectivity allotted may be given to other. Extension may be given only in case of Force Majeure condition.

3. **Mode-5:** Further, Central Public Sector Undertakings (CPSUs) like SECI, NTPC etc., may also directly approach this Ministry for development of solar parks. The CPSUs may develop solar parks in the following manner:

- i. **Mode 5A:** CPSUs having its own land may approach this Ministry directly for setting up of solar parks. CPSUs will develop the park either on its own or through EPC mode and CPSUs will be the Solar Power Park Developer (SPPD). Further, the CPSUs may set up its own power plant in the solar park either through EPC mode or by calling for bids for developers. It may also offer the park to other institution (like SECI, NTPC etc.) for setting up of power projects by inviting bids from power project developers for the same. In such cases, CPSU (the SPPD) itself cannot participate in the bid for solar power projects so as to avoid conflict of interest.

In case of solar power projects coming under developer mode, CPSUs would sell/lease land to Solar Power Developer (SPDs) on cost plus basis as derived in Modes 1, 2 &3

- ii. **Mode 5B:** CPSUs having its own land may select Solar Power Park Developer (SPPD) based on open bidding on development and O&M charges.

The lowest bidder would be selected based on the lowest NPV of Park Development plus O&M charges per MW and the SPPD would be allowed to sell/lease land to Solar Project Developer (SPDs) at a cost arrived at by adding the land cost as fixed by the PSU and his quoted development charge. Here, the lowest bidder would be the SPPD.

- iii. **Mode 5C:** In case the CPSU does not have land then the CPSU may float tender for setting up solar parks by any third party having its own land. Since, the land is to be provided by third party then the bidding for selection of the SPPD would be based on his quoted price of developed land per MW and O&M charges. That is, bidders would have to quote the price of developed park land and the O&M charges, they would charge from the SPDs. The park developer who quotes the lowest NPV of developed land price plus O&M charges per MW would be the successful bidder for solar park development.

In case of 5B and 5C, as the CPSU will not itself be the SPPD, and there may not be any conflict of interest, they may be allowed to participate in bidding of solar power projects

4. **Mode 6: Solar Parks by private entrepreneurs without CFA**

- a) Private entrepreneurs may also develop solar parks without any CFA. In such cases, status of solar park will entitle them to in get the connectivity and LTA from CTU. The private entrepreneurs may submit proposals along with the Detailed Project Report (DPR) and documents in support of 100% land in possession. After examination of DPR and land documents, an “in principle” approval will be given. However, the status of SPPD for applying for connectivity and LTA etc. with CTU

may be issued by Ministry after financial closure, award of works for road, water and internal transmission infrastructure by the park developer.

- b) The minimum capacity of such solar parks will be 100 MW. However, smaller solar parks of capacity of 50 MW may be allowed in hilly states and states where there is acute shortage of non-agricultural land.
- c) If the park is not completed within 18 months of in-principle approval, the approval may be cancelled and the grid connectivity allotted may be given to other. Extension may be given only in case of Force Majeure condition.


5. Further, State Government's obligation of purchase power vide clause 21 of the Administrative Guidelines order no. 30/26/2014-15/NSM dated 21st March, 2017 i.e. the condition to buy at least 20% of the power produced in the park by the host state through its DISCOM(s) is deleted for all states and for all modes. Thus, it would no longer be required to get a commitment from the State Government to buy at least 20% of the power produced in the park.

6. The CFA of preparation of DPR as mentioned in clause 7 of the Administrative Guidelines order no. 30/26/2014-15/NSM dated 21st March, 2017 is revised on the basis of capacity of the solar park in the following manner:

Sl. No.	Capacity range of Solar Park	CFA for preparation of DPR (in Rs.)
1.	Up to 100 MW	Up to Rs. 10 lakh
2.	More than 100 MW & up to 500 MW	Up to Rs. 15 lakh
3.	More than 500 MW	Up to Rs. 25 lakh

The DPR must be prepared in 120 days from the date of in-principle approval accorded by this Ministry. The assistance to private entrepreneurs (SPPD) for preparation of DPR will be made after acceptance of DPR by this Ministry.

7. This issues with the approval of the Competent Authority.


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To:

1. **Principal Secretary** (Power/Energy/Renewable Energy) of all States
2. **Managing Director**, Solar Energy Corporation of India, 1st Floor, D-3, A Wing, Religare Building, District Centre, Saket, New Delhi – 110017
3. **CMD**, NTPC Limited, NTPC Bhawan, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi - 110003
4. **All Solar Power Park Developers** (SPPDs)

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4. Dir, NIC for uploading on MNRE website