

**Government of Gujarat
Energy and Petrochemicals Department
G. R. No: SLR/11/2020/Mini-185/B1
Sachivalaya, Gandhinagar
Date: 11 /12/2020**

1. READ:

- 1) Energy & Petrochemicals Dept. G.R. No.SLR/11/2019/51/B1, Date: 06/03/2019.
- 2) MNRE,GoI's Order No. 32/645/2017-SPV DIVISION, Date: 08/03/2019.
- 3) MNRE,GoI's OM No. 32/645/2017-SPV DIVISION, Date: 22/07/2019.
- 4) MNRE,GoI's OM No. 32/54/2018-SPV DIVISION, Date: 13/08/2019.
- 5) MNRE,GoI's OM No. 32/645/2017-SPV DIVISION, Date: 31/12/2019.
- 6) MNRE,GoI's OM No. 32/645/2017-SPV DIVISION, Date: 13/11/2020.

2. PREAMBLE

The Government of Gujarat is committed for the development of renewable energy sector and more particularly solar power sector to curb the threats of effects of Climate Change and to provide clean and green energy for the future generations to come.

The State also aims to generate power on decentralized locations for its consumption locally as well as facilitating small investors to contribute in green energy generation through small scale solar power plants on decentralized basis.

The Central Government through its Ministry of New & Renewable Energy has launched Component-A of Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) scheme for Decentralized Ground/Stilt Mounted Grid Connected Solar or other Renewable Energy Power Plants.

It is aimed at developing decentralized Solar energy and other renewable energy generation Plants of capacity up to 2 MW which could be connected directly to existing sub-stations of State Utility, thus saving in transmission system requirement apart from T&D losses. Such plants near these sub-stations may be developed, preferably by farmers, giving them an opportunity to increase their income.

The Renewable Energy based Power Plants (REPP) under the scheme would be implemented primarily on barren, uncultivable, fallow, pasturelands and marshlands of farmers. Agricultural land is also permitted under the scheme provided that solar plants are installed in stilt fashion (i.e. raised structure for installation of Solar panels) and with adequate spacing between panel rows for ensuring that farming activity is not affected. The RPG would be free to adopt any renewable energy source or technology while responding to the bid. However, in case of cultivable land with solar plants, the same may be installed on stilts, so that the farmers continue to cultivate the land, apart from getting the benefit of lease rent. In such a case DISCOM may also float bids (in case of specific substations) where setting up of solar projects on stilts may be mandatorily required, and bids for energy tariff invited accordingly.

3. RESOLUTION

Upon elaborate discussion and consultation with the concerned administrative departments of Government of Gujarat and various stakeholders, the State Government is pleased to announce that the Scheme for Decentralized Ground/Stilt Mounted Grid Connected Solar or other Renewable Energy Power Plants under Component A of PM-KUSUM Scheme is to be implemented in Gujarat state in consonance with MNRE's scheme guidelines and following terms and conditions:

1. The Solar Projects having size of 0.5 MW and above but not exceeding 2.00 MW installed and commissioned during the operative period of this Scheme shall qualify to be termed as "PM KUSUM-A PROJECTS" and be eligible for benefit of this Scheme. To support small farmers, the solar power projects smaller than 500 KW may be allowed based on techno-commercial feasibility.
2. REPP will be setup by individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/Water User associations (WUA) hereinafter called Renewable Power Generator (RPG).
3. In case of REPP being developed by a developer, the Net-Worth of the developer should not be less than Rs. 1.00 Crore per MW (of the capacity applied). This shall not be applicable for farmers cooperative or panchayats or Farmer Producer Organizations (FPO) /Water User associations (WUA) or farmers setting up REPP in their own lands.
4. Tariff applicable under this Scheme shall be as per following mechanism: The tariff contracted in the competitive bidding process conducted by GUVNL and adopted by GERC at which PPAs are signed for procurement of Solar Power from projects located outside Solar Park prevailing as on 31st March (computed based on simple average of such tariff discovered and contracted over six months ending on 31st March) of any given year *with an addition of* Rs. 0.20 per unit shall be the applicable tariff at which the PPAs shall be signed during the immediately succeeding period of April to September by DISCOMs with these Solar Projects under this Scheme and similarly the contracted tariff prevailing as on 30th September of any given year (computed based on simple average of such tariff discovered and contracted and adopted by GERC over six months ending on 30th September) *with an addition of* Rs. 0.20 per unit shall be the applicable tariff for PPAs to be signed during the immediately succeeding period of October to March. However, the above mechanism of applicable tariff shall be subject to approval of GERC and the DISCOMs shall take one time approval of GERC. The Rs. 0.20 per unit addition in tariff is allowed towards Rs.0.12 per unit for saving in transmission loss as power will be injected in distribution grid and Rs.0.08 per unit is to compensate for expensive land cost, higher capital investment and maintenance cost due to small size of projects.

As the mechanism to determine tariff applicable is same as the "Policy of Development of Small Scale Distributed Solar Projects - 2019". The tariff

applicable for projects under “Policy of Development of Small Scale Distributed Solar Projects – 2019” can be made applicable/adopted under the “PM KUSUM - A SCHEME” subject to approval of GERC.

5. The above mentioned tariff shall be applicable for a PPA term of 25 years from Commercial Operation Date of the Projects.
6. The REPP Project shall be developed preferably on the land within 5 km radius of the substation, in order to avoid cost of transmission line and reduce transmission losses. In case the farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User associations (WUA) etc. are not able to arrange equity required for setting up the REPP, they can opt for developing the REPP through developer(s) which will be considered as RPG in this case. In such a case, the land owner will get lease rent as mutually agreed between the parties. The lease rent may be in terms of Rs per year per acre of land or in terms of Rs per unit energy generated per acre of land area. The farmer(s) may opt for payment of lease rent directly in their bank account by the DISCOM, from the payment due to the developer.
7.
 - a. **Notification of sub-station wise generation capacity**
GETCO shall assess and notify RE generation capacity that can be injected in to all 66/11 kV or 132/11 kV or 220/11 kV sub-station of rural areas and place such notification on its website for information of all stakeholders. To facilitate farmers willing to lease out their land for development of RE plants near above notified substation(s), as per provisions of this scheme, DISCOM may also place list of such farmers on their website. However, the leasing of land of any farmers will be a bi-partite agreement between the farmer and the developer and DISCOM will not be held responsible for failure in getting the land leased out to a developer. To meet additional demand DISCOM will augment the capacity of sub-station under IPDS or any other scheme.
 - b. **Expression of Interest (EoI) for Short-listing of RPG**
GEDA shall invite 66/11 kV or 132/11 kV or 220/11 kV sub-station wise EoI from RPG to participate in selection process for development of decentralized renewable power plants. The RPG shall submit their interest against the EoI as per the schedule notified by GETCO. An RPG will not be allowed to apply for more than one renewable power plant for a particular 66/11 kV or 132/11 kV or 220/11 kV sub-station. The EoI of an RPG will also be disqualified if it is found that its proprietor/partner/director/member has also filed EoI as proprietor/partner/director /member for another RPG for the same sub-station.
8. In case the total aggregate capacity of eligible applications received for a particular sub-station is less than or equal to the capacity notified for connectivity at the sub-station, LoA will be awarded to all eligible applicants for procurement of renewable power at a pre-fixed levelised tariff.

In case the total aggregate capacity of eligible application received for a particular sub-station is more than the capacity notified for connectivity at the sub-station, then DISCOM or any agency authorized by the DISCOM shall invite Bids from all these applicants, in such cases the prefixed levelised tariff will be the ceiling tariff for bidding. All eligible applicants will have to submit tariff bids within a prescribed time. Selection of bidders will be based on the lowest tariff offered in the ascending order as quoted by the bidders in the closed bid or e-reverse auction as the case may be. LoA will be awarded to all successful bidders.

9. The DISCOM or any agency authorized by the DISCOM may request to submit non-refundable processing fee from the interested RPGs, which in no case shall be higher than Rs. 5000 per MW or part thereof of the capacity applied for.
10. Gujarat Energy Developer Agency (GEDA) shall be the State Government Nodal Agency for facilitation and implementation of this Scheme. The nodal agency will facilitate and assist the Project Developers to undertake the activities like registration of projects, responding to queries and problems of Developers of Power Projects, issuing Commissioning certificates etc.
11. The RPG shall provide the following Bank Guarantees to DISCOM as follows:
 - Earnest Money Deposit (EMD) of Rs. 1 Lakh/MW in the form of Bank Guarantee along with EoI.
 - Performance Bank Guarantee (PBG) of Rs. 5 Lakh/MW within 30 days from date of issue of Letter of Award.

The Bank Guarantees against EMD shall be returned to the selected RPG on submission of valid PBGs. The selected RPGs are required to sign PPA with the DISCOM in line with the timeline given in the Guidelines. In case, the selected RPG fails to execute the PPA within the stipulated time period, the Bank Guarantee equivalent to EMD shall be en-cashed by DISCOM as penalty. In case any bidder is not selected, DISCOM shall release the EMD within 15 days of the date of issue of LoA to selected RPG(s). The PBGs shall be valid for a period of 12 months from the date of issue of LoA for the REPP. The PBG will be returned to the RPG immediately after successful commissioning of solar power plant, after taking into account any penalties due to delay in commissioning as per provisions stipulated in the Guidelines.

12. The selected RPG shall commission the solar power plant within twelve months from date of issuance of LoA. The DISCOM is obliged to purchase power from that commissioned REPP any time after the issuance of LoA. A Committee duly constituted by GEDA comprising of DISCOM and GEDA officials will physically inspect the Plant in not more than 03 days from the date of receiving a call from the RPG and GEDA shall certify successful commissioning of the plant. In case any RPG fails to achieve COD within the stipulated period of twelve months, DISCOM shall encash the Performance Bank Guarantee (PBG) in the following manner:
 - a. Delay up to two months - The PBG on per day basis and proportionate to the balance capacity not commissioned.

- b. In case the commissioning of the solar power plant is delayed over two months, the PPA capacity shall stand reduced / amended to the Project capacity commissioned at the end of 11th month from date of issuance of Letter of Award.

In case of delays of plant commissioning due to the reasons beyond the control of the RPG, DISCOM after having been satisfied with documentary evidences produced by the RPG for the purpose can extend the time for commissioning date without any financial implications to the RPG.

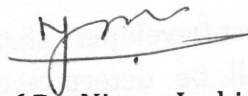
13. **Commercial Operation Date (COD)**
The Commercial Operation Date (COD) shall be considered as the actual date of commissioning of the solar power plant as declared by the Commissioning Committee.
14. **Release of Performance Based Incentive to DISCOM**
DISCOM would be eligible to get PBI @ Rs. 0.40 per unit purchased or Rs. 6.6 lakh per MW of capacity installed, whichever is less, for a period of five years from the COD from MNRE as mentioned in MNRE's guideline.
15. **Clearances required from the State Government and other local bodies**
The RPG is required to obtain necessary clearances as required for setting up the REPP.
16. The Central Electricity Authority (CEA), GoI has published Central Electricity Authority (Technical Standards for connectivity to the Grid) Amendment Regulations, 2013, specifying various technical requirements for grid connection of renewable energy sources. These regulations and provisions of Grid Code, as amended from time to time, shall be binding to the Power Projects.
17. Interconnection voltages for projects upto 2 MW shall be 11KV or 66 KV. The Interconnection voltages shall be governed as per GERC Regulations, as amended from time to time. However, the injection from MW Scale Projects shall be preferred directly in 66/132/220 KV Sub-station through a dedicated 11 KV feeder for better grid stability and reliability for injection of power.
18. Solar Project Developers shall be allowed to inject power at Interconnection Point, which shall be determined by DISCOM based on technical feasibility. The developers shall lay dedicated line at their own cost for evacuation of power up to Interconnection Point as per system study by DISCOM.
19. To optimize costs, Common dedicated evacuation line may be set up by a cluster of adjoining Developers with appropriate metering at their respective end of project as well as a common meter for such Project Developers at the Interconnection Point. Energy injection by each Solar Project at the receiving end shall be worked out on the basis of meter reading of common meter appropriately apportioned as

per the respective meter reading at the sending end meter of that Solar Project by DISCOM / SLDC / ALDC.

20. The electricity generated from the Solar Projects, shall be metered on 15-minute time block basis by DISCOM / ALDC / SLDC at Interconnection Point. For the purpose of energy accounting, solar generating projects shall provide ABT-compliant meters and RTUs at the interface points. Interface metering shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations 2014 and amendment thereto. DISCOM / SLDC / ALDC shall stipulate specifications in this regard.
21. DISCOMs have to abide by the GERC Regulations and Orders from time to time. GERC has been deciding the overall RPO and sub-category wise procurement of Renewable energy Power from each Renewable energy Source. The DISCOMs shall buy Solar Power under this Scheme for meeting their RPO.
22. The Hon'ble Gujarat Electricity Regulatory Commission shall be guided by this Scheme while framing its rules, regulations and orders. The Solar Projects shall abide by the provisions of the GERC Regulation for forecasting and scheduling of Power Projects. The drawl of reactive power shall be charged as per the GERC order, as amended from time to time.
23. The Operation and Maintenance of dedicated evacuation line shall be carried out at the cost of the Project Developer as per applicable technical standards and best practices.
24. After commissioning of solar project, the installation shall not be allowed to be transferred inter se or from one location to another.
25. If there is any confusion or dispute about the meaning, intent or purpose of any provision of this Scheme, the interpretations given by Energy & Petrochemicals Department, Government of Gujarat shall be final and binding to all concerned.

This is issued with the concurrence of the Finance Department dated 12/10/2020 on the Department's file of even number.

By order and in the name of the Governor of Gujarat



(Dr. Nisarg Joshi)

Deputy Secretary to the Government

Copy To :-

- o *The Principal Secretary to H.E. The Governor of Gujarat, Raj Bhavan, Gandhinagar.
- o The Additional Chief Secretary to Hon. Chief Minister, Sachivalaya, Gandhinagar.
- o The P.S. to Hon. Dy. Chief Minister, Sachivalaya, Gandhinagar.
- o The P. S. to Hon. Minister (Energy), Sachivalaya, Gandhinagar.
- o The P.S. to Hon. MoS (Energy), Sachivalaya, Gandhinagar.
- o The Secretary, Ministry of Power, Govt. of India, Shram Shakti Bhavan, New Delhi.

- The Secretary, Ministry of New & Renewable Energy, CGO Complex, New Delhi.
- The Secretary, Central Electricity Regulatory Commission, New Delhi.
- The Chairman, Central Electricity Authority, New Delhi.
- The Joint Secretary to Chief Secretary, Sachivalaya, Gandhinagar.
- *The Secretary, GERC, Gift City, Gandhinagar.
- *The Registrar, Gujarat High Court, Ahmedabad.
- *The Secretary, Vigilance Commission, Gandhinagar.
- The Additional Chief Secretary, Finance Department, Sachivalaya, Gandhinagar
- The Principal Secretary, Climate Change Department, Sachivalaya, Gandhinagar
- *The Secretary, Gujarat Legislature Secretariat, Sachivalaya, Gandhinagar.
- The Resident Commissioner, Gujarat State, New Delhi.
- The Account General, Ahmedabad / Rajkot.
- All Departments of Secretariat, Sachivalaya, Gandhinagar.
- All Branches of Energy & Petrochemicals Department.
- The Chairman, Power Finance Corpo. Ltd. New Delhi.
- The Managing Director, Gujarat Power Corpo. Ltd., Gandhinagar.
- The Managing Director, Gujarat Urja Vikas Nigam Ltd., Vadodara.
- The Managing Director, Gujarat State Electricity Corpo. Ltd., Vadodara.
- The Managing Director, Gujarat Energy Transmission Corpo. Ltd., Vadodara.
- The Managing Director, Uttar Gujarat Vij Company Ltd., Mehsana.
- The Managing Director, Madhya Gujarat Vij Company Ltd., Vadodara.
- The Managing Director, Dakshin Gujarat Vij Company Ltd., Surat.
- The Managing Director, Paschim Gujarat Vij Company Ltd., Rajkot.
- The Director, Gujarat Energy Development Agency, Gandhinagar
- The Chief Electrical Inspector & Collector of Electricity Duty, Gandhinagar
- All Collectors.
- The Chief Executive Officer, Torrent Power Ltd., Lal Darwaja, Ahmedabad.
- Dy. Section Officer's select file.

***By Letter.**