

No. 29/5(1)/2012-13/JNNSM
भारत सरकार/ Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय/Ministry of New & Renewable Energy

Block no. 14, CGO Complex,
New Delhi-110 001

Dated: 15th October, 2013

To:

1. Managing Director, Solar Energy Corporation of India, NBCC Plaza, Saket, New Delhi
2. Chief Executive Officer, NTPC Vidyut Vyapar Nigam Limited, Scope Complex, New Delhi

Sub: Approval for Implementation of Scheme for Setting up of 750 MW of Grid-connected Solar PV Power projects under Batch-I of Phase-II of Jawaharlal Nehru National Solar Mission with Viability Gap Funding support from National Clean Energy Fund.

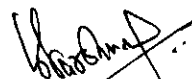
Sir,

I am directed to convey the approval of the Government of India for Implementation of '*Scheme for Setting up of 750 MW of Grid-connected Solar PV Power projects under Batch-I of Phase-II of Jawaharlal Nehru National Solar Mission with Viability Gap Funding support from National Clean Energy Fund*' through the Solar Energy Corporation of India (SECI) as per the details given below.

2. The salient provisions of the Scheme are as under:
 - i. The scheme will be implemented by SECI in close association with the NTPC Vidyut Vyapar Nigam Limited (NVVN)
 - ii. *Viability Gap Funding* (VGF) support will be provided for setting up of Grid-connected Solar PV power projects of 750 MW aggregate capacity by Solar Power Developers on Build-Own-Operate basis.
 - iii. The power generated from the projects shall be purchased by SECI at a fixed levelised tariff of Rs.5.45/kWh (Rs.4.75/ kWh in case of projects availing benefit of Accelerated Depreciation) for 25 years and shall be sold by SECI to willing State Utilities/ Discoms/ Other Bulk Consumers, at a fixed tariff of Rs.5.50/kWh for 25 years.
 - iv. The projects would be selected through a process of open competitive reverse bidding on Viability Gap Fund (VGF) required by the Bidders to enable them supply the solar power to SECI at the above mentioned levelized tariff for 25 years.
 - v. The Bids will be invited in two separate categories: - (i) 375 MW with stipulation of Domestic Content Requirement (DCR) in respect of Solar PV Cells and Modules to be used in the projects and (ii) 375 MW without any DCR restriction.

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- vi. The Solar PV Projects shall be installed and commissioned within 13 months from the date of signing of their Power Purchase Agreements (PPAs) subject to provisions of the PPAs and guidelines of the scheme.
 - vii. The scheme will be implemented strictly within the framework of 'Detailed Guidelines' that are being issued separately by this Ministry.
 - viii. SECI will set up a Payment Security Mechanism involving a corpus of around Rs.170 cr. in order to ensure timely payment to the developers, as per the Detailed Guidelines.
3. The funds for provision of the VGF support, which are estimated at Rs.1,875 crore @Rs.2.5 crore/ MW and will get firmed up after opening of Bids to be invited by SECI, will be made available to MNRE from the National Clean Energy Fund (NCEF) operated by Ministry of Finance (Department of Expenditure) and will be disbursed to SECI based on physical and financial progress of the projects.
4. This issues with the approval of Competent Authority.



(A.K. Varshney)

Director (Grid Solar Power)

Tel-Fax: 24360885

Copy to:

1. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi
3. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
4. Secretary, Department of Commerce, Udyog Bhawan, New Delhi
5. Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi
6. Chairman, Solar Energy Corporation of India
7. Chairman, Central Electricity Regulatory Commission, Chandralok Bhawan, New Delhi
8. Chairperson, Central Electricity Authority, Sewa Bhawan, New Delhi
9. Chairman and Managing Director, NTPC
10. Director (A), Prime Minister's Office, South Block, New Delhi
11. Director (Cabinet), Cabinet Secretariat- w.r.t. letter No. CCEA/36/20/3(i) dtd. 8/10/2013
12. Chairmen, All State Utilities

Internal distribution:

1. PS to Hon'ble Minister, NRE
2. PSO to Secretary, MNRE
3. JS&FA/JS(AS)/JS(TK)/ Adv(NPS)/Adv(PS)/Adv(AKD)
4. All Officers of MNRE
- ✓ 5. Director (NIC) - for uploading this on MNRE website