



SOLAR POWER DEVELOPERS ASSOCIATION
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SPDA/PG/2021/259

January 19, 2021

To,

Shri Indu Shekhar Chaturvedi
Secretary

Ministry of New and Renewable Energy
Government of India.

Subject: Information regarding non-opening of Line of Credit (LCs) by DISCOMs.

Dear Sir,

Greetings from Solar Power Developers Association.

The COVID-19 pandemic crisis has adversely impacted the demand and cash flows of Discoms. Many consumers could not pay their dues with industries being shut, disruption in supply chains, restriction on movement labour, etc. To cope with the situation, Govt. of India took timely and necessary action in restoring the liquidity position of the DISCOMs.

While with the Center's assistance, Discoms have released generators' payments. However, many Discoms are taking undue advantage of the pandemic and are not maintaining Letter of Credit (LC) as payment security for scheduling dispatching of power as required by the Ministry of Power's order dated 28 June 2019. SPDA has compiled the status of the opening of LC for its member firms by Discoms. The same is provided as Annexure-I.

We request for MNRE's intervention and request for direction to Discoms to open LCs. Further, we believe that increased transparency in the matter is needed. For this purpose, it is suggested that LC status can be made part of the PRAAPTI portal.

We look forward to your favorable consideration in the matter.

Thanking you

Yours Sincerely

Praveen Golash

Joint Secretary, SPDA