



SOLAR POWER DEVELOPERS ASSOCIATION

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SPDA/DG/2021/312

May 01, 2021

Subject: Request for a blanket extension of an additional three (3) months in SCoD of Solar Power Projects in addition to five (5) months granted as on MNRE OM issued on 13.08.2020.

Ref: SPDA Representation letter for 'request for a blanket extension of an additional 3 months in SCoD of Solar Power Projects in addition to 5 months granted' dated April 12, 2021.

Hon'ble Shri R K Singh ji,

Greetings from Solar Power Developers Association.

This is in continuation with our letter dated April 12, 2021, in which we had sought an extension of 3 months over and above five months provided by Govt. earlier via its O.M. dated August 13, 2020, March. A copy of letter dated 12.4.2021 is attached for kind perusal.

We are witnessing one of the worst crises of our time. COVID-19, which has gripped the nation since February 2020, is continuing to wreak havoc on humanity. With the intensification of the second wave of COVID-19 in India, the situation has turned precarious. It may kindly be noted that since February 2020 situation has never normalized. Every sphere of society is profoundly impacted, and even with unlocking of India, wide range business disruption due to various factors communicated vide our earlier letters. With fast-paced vaccination drive also, we don't foresee things getting normal in the next 3-4 months.

As we mentioned in our earlier communication, **labour availability** is becoming an even more significant challenge now. Most labour suppliers have demobilised their workers from construction site due to a large-scale outbreak of COVID-19 that has resulted into work at construction sites to a standstill. To aggravate the problem, getting a new workforce at site is practically impossible as most migrant labour has moved back to their native locations.

Secondly, the **Banks / F.I.s** have almost stopped disbursement of new tranches of loan due to procedural issues which involve verification of physical progress and facing difficulty in loan approval as Banks are working with slender staff. The third issue that developers are facing is regarding **Govt. Approvals** required are different stages of the project. We are witnessing the working of Govt offices with very little strength, and the process of approvals has almost stagnated.

The fourth issue is with the **equipment supply**. The manufacturing units for MMS structure, inverters, transformers are functioning on part capacity and have significant order backlog, which for obvious reasons will delay the project delivery. Some essential materials used in transmission lines and bay-end like Gantry and equipment structure are steel items. Due to the prioritization of oxygen from the steel plants for medical

purposes, all the steel plants have extended the deadline for the delivery of equipment. Developers are in a challenging situation. Uncertainty in the present situation has rendered all the contingency plans useless.

Amid circumstances like these, developers need *unrestricted and whole-hearted support* from Government to remain afloat. We feel that Developers deserve relief in the form of additional time to execute the under-construction projects and achieve Financial Closure. The levy of liquated damages (LDs) due to delay in achieving FC and SCOD is too hefty and is beyond the capacity of any developer with their current portfolios. This will render the projects un-viable. The developers are facing financial hardship due to delay in revenue from DISCOMs, delay in payment of GST and SGD from procuruers under 'Change-in-law.

MNRE has been one of the most proactive ministries in Govt. and was kind enough in the past while granting a 5-month blanket extension last year. Many RE developers have responded responsibly and worked diligently and could commission the capacity in such challenging environment. You would appreciate that COVID-19 never went out of our lives and has only intensified in the previous 5-6 weeks.

Request:

Hence, we request you to provide three months additional blanket extension in continuation to 5 months granted earlier. **In other words, total blanket time extension of 8 months shall be given w.e.f. 25th March, 2020 to 24th November, 2020. This blanket extension if invoked by the developer, should be given without case to case basis examination and no documentation/ evidence should be asked for such extension; with a safeguard clause that such extension will not be binding to cancel the contract (PPA) by the RE Developer/ Procurer/ Ultimate Procurer.**

In addition to this, the MNRE Order should specifically include those projects awarded/ PPA signed during these 8 months.

We look forward to your kind support in the matter.

With warm regards

Yours Sincerely,



Shekhar Dutt

To,
Shri R K Singh
Hon'ble Minister of State (I/C)
for Power & New and Renewable Energy
Government of India
New Delhi