

**Minutes of meeting during monthly MNRE Meeting with  
Solar Developers on 08<sup>th</sup> Feb 2021.**

**Part-I: New Issues**

S. No	Issue Description	Presenter
1.	<p><b>Reinstatement of Concessional Custom Duty for already bid projects.</b></p> <p>As per the Budget 2021-22 speech, exemption to all items of machinery, instruments, appliances, components, or auxiliary equipment for setting up of solar power generation projects is being rescinded. This impacts all the under-construction projects which are already struggling due to COVID-19.</p> <p><b>Status:</b></p> <p>The Ministry conveyed that SPDs need to procure inverters for existing projects from local manufacturers. It was further added that MoF will not cater to any request in this matter.</p>	Manish Karna
2.	<p><b>Cancellation of Dholera 700 MW tender by Gujarat after LOI was issued.</b></p> <p><b>Status:</b></p> <p>SPDA requested an accountability measures to hold sanctity of the due process in mitigating the financial risk posed by the arbitrary decision of Discoms. Post LOI issuance, developers plan their bank guarantees, hedging of funds due to which the entire risk falls on SPDs. Therefore, SPDs requested a model PPA, RfS to be assured with mention in the upcoming Standard Bidding Guideline.</p> <p>MNRE informed further that they have sought comments from State of Gujarat on this matter and response is awaited. MNRE will issue an advisory on this matter.</p>	Parag Sharma
3.	<p><b>Request update on Production Linked Incentive announced by Hon'ble Finance Minister on 11.11.2020 and during Budget 2021-22 for Solar PV Modules (approved financial outlay of Rs 4500 Cr over a five-year period)</b></p> <p><b>Status:</b></p> <p>The Ministry updated that currently the file has been approved by the Expenditure department. A Cabinet note is in the process.</p> <p>Expression of interest will be released by March. By End of March or 1<sup>st</sup> week of April a list of manufacturers will be listed.</p> <p>The Ministry further informed about the selection criteria for evaluation against a benchmarking criterion such as Module efficiency of 20%, temperature coefficient 4-5% and plant capacity for minimum 1000 MW and more than 1000 MW. Also, Solar cell and module plant will be encouraged under the PLI Scheme.</p> <p>Upon enquiry by the SPDs, the Ministry informed that technology upgradation is not being considered now as an eligibility criterion.</p>	Ranjit Gupta
4.	<p><b>KPTCL have directed concerned department to raise the demand for collection of "one-time non-refundable common infrastructure charges" upto INR 36 lakh+ taxes for each project.</b></p> <p><b>Status:</b></p> <p>MNRE will take this matter up with concerned authorities.</p>	Sandeep Kashyap

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5.	<p><b>Request for clarification order regarding blanket timeline extension in aligning Financial closure with Scheduled Commissioning Date of RE projects beyond 5 months considering disruption due to pending approval in tariff adoption and PSA approval with ERCs, non-functioning of CERC and COVID-19.</b></p> <p>Also, this extension should include bids, LOA, PPA signed in during this period.</p> <p><b>Status:</b></p> <p>MNRE informed that SECI will be authorized to examine for due diligence of developers to fulfil extension in case-to-case basis.</p> <p>MNRE will examine the challenges due to delay in tariff adoption and power procurement should also be considered.</p> <p>Extension is right now for under implementation projects, which should also include for PPA signed during lockdown as MNRE continue to communicate with States.</p>	Deepak Gupta
6.	<p><b>Misalignment of LTA start date and extended SCD.</b></p> <p>a. Request Ministry to approach CERC to release an order/confirmation under Section 107 of EA Act 2003 to invoke "Power to remove difficulties." The MoP order issued on 15.01.2021 needs alignment by extending the same for Solar park projects and contracts between SPDs with Private Discoms. This will avoid the transfer of financial risk to SPDs due to inconsistency occurring in contracts from PPA, ISA, TSA, etc.</p> <p>b. SPD's also request the direct competent authority to provide an Extension of Stage II connectivity (24 months) timeline to complete Project's dedicated transmission line &amp; pooling substation to be aligned with extended PPA SCD by the intermediary/ end procurer.</p> <p><b>Status:</b></p> <p>Misalignment is of several months which is currently affecting the project viability therefore release of CERC order will provide necessary relief to SPDs.</p> <p>The Ministry informed that CERC will issue a necessary order as per MoP's direction and in the meanwhile if there are any cases that faces misalignments then the same should be brought to MNRE's notice through representation letter.</p>	Sandeep Kashyap
7.	<p><b>Safeguard Duty claims rejected on additional DC capacity as per the Hon'ble KERC order to be reconsidered under Change in Law.</b></p> <p>As per the directions from the Hon'ble KERC to ESCOMs mentioned in the KERC order, SPDA would like to rectify the flaw in the methodology of payment calculation for tariff increment on Safeguard Duty.</p> <p><b>Status:</b></p> <p>MNRE will issue clarification reiterating in this regard. SGD should be paid to Customs duty and this should be considered as a proof of evidence.</p> <p>Currently the KERC order has allowed the DC capacity to meet the minimum CUF of the PPA.</p> <p>SPDA to send a representation letter to MNRE to examine this issue.</p>	Kishor Nair
8.	<p><b>Request to MNRE for issuing directive on deviation that are taken standard bidding guidelines by Private Discoms which make some developer uncompetitive.</b></p>	Gaurav Sood

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	<p>This is to bring uniformity for Private Discoms to adhere Centre’s guideline and an order/ directive needs to be issued to reduce any future deviation.</p> <p><b>Status:</b></p> <p>MNRE will issue an advisory to reduce deviation for project implementation with private Discoms to comply and adhere to SBG guideline, model PPA, RfS to follow in the same lines as being done in thermal projects.</p>	
9.	<p><b>Enable location-specific/ state-specific bids at intra-state level for better distribution of RE resource development.</b></p> <p><b>Status:</b></p> <p>The Ministry informed that SECI will come with bids whenever feasible.</p>	Naveen Singh
10.	<p><b>Update on 7.5 GW bundled (generation &amp; transmission) tender in Leh and Kargil released by SECI.</b></p> <p>This is currently on hold as CTU is carrying out a study to assess the potential in the region, post which, a revised RfP may be released.</p> <p>SPDA seeks information regarding-</p> <ol style="list-style-type: none"> <li>Progress status on the decision for unbundling, clarity on expected timelines and sequence planned to release tenders for generation &amp; transmission.</li> <li>Also, whether there will be amendments released in this regard or will it be a fresh tender issued for both generation and transmission?</li> </ol> <p><b>Status:</b></p> <p>MNRE informed that as of now the bids stands cancelled. Transmission is not viable as of now in the Ladakh region and is being deliberated by SECI. Land is being identified by SECI. Bids for Generation &amp; transmission will be considered separately.</p> <p>PGCIL will issue detailed project report in 5 months for 10GW.</p>	Naveen Singh
11.	<p><b>Understanding timelines of generation and transmission system envisaged for the regions of Koppal, Gadag &amp; Bidar in Karnataka.</b></p> <p>The transmission bids are underway although the LTA has not been granted in these regions. A tender of 2.5 GW is coming up in Koppal which has been currently delayed.</p> <p>SPDA seeks information from MNRE to understand the timelines in this regard.</p> <p><b>Status:</b></p> <p>MNRE informed that PGCIL is going ahead with reduced capacity for Transmission and connectivity for Kopal is being planned whereas the capacity for Bidar and Gadag is not clear.</p> <p>SPDA requested to be part of the monthly meeting of PGCIL related to planning of transmission and connectivity as the information in the public domain is not available.</p>	Naveen Singh
12.	<p><b>Regulatory &amp; Market preparedness for Standalone Storage projects by SECI discussed during the RE Connect.</b></p> <p>SPDA seeks clarity on potential business models and the possibility of value stacking related to Storage assets.</p> <p><b>Status:</b></p> <p>MNRE informed that this will be covered in the Unified SBG.</p>	Naveen Singh

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<p><b>13.</b></p>	<p><b>Challenge in steel procurement for installation of solar plant for module mounting structure (MMS)</b></p> <p>SPDA would like to intimate MNRE for possible monopolization due to due to shortage of steel supply for domestic manufacturers &amp; high volatility in price fluctuation in the last six months.</p> <p><b>Status:</b></p> <p>SPDA informed that an artificial demand was created by Indian steel players who started exporting the steel products to derive benefits of increased prices in global markets, creating an unmet demand in the country. This has hit the solar industry badly as the volatile nature of the commodity prices are creating financial risk by squeezing thin margins of projects under competitive bidding.</p> <p>Representation letter has been written to MNRE. The Ministry will support developers if this matter is to be taken up with the Commerce industry.</p>	<p>Ravinder Khanna</p>
<p><b>14.</b></p>	<p><b>Suggestions on the guidelines and the bid documents for RE Thermal tender w.r.t. Escalation Indices and treatment of storage assets.</b></p> <p>SPDA seeks visibility on timelines from MNRE.</p> <p><b>Status:</b></p> <p>MNRE informed that RE thermal guidelines will be issued soon.</p>	<p>Deepak Gupta</p>

**Part-II: Status update on past issues**

S. No	Issue Description
1.	<p><b>Delay in proceedings of SGD/GST matters.</b></p> <p>a. The matters are pending before regulators for close to 2 years in few cases from the time of filing.</p> <p>b. Request to push States/ERCs to prioritize hearings for SGD and GST matters.</p> <p><i>SPDs further requested MNRE to intervene to resolve disbursement of at least first installment stuck in this matter.</i></p>
2.	<p><b>a. Delay in PSA signing for auctioned projects.</b></p> <p>Auctioned projects of around 18 GW capacity currently do not have signed PPA due to delay in PSA signing. <i>SPDA requested MNRE to discuss this with State Discoms to expedite signing of PSAs.</i></p> <p><b>b. Indefinite delays in taking approvals for procurement of power, PSA, Trading margin by State Discoms (End Procurers) from their State Commissions.</b></p> <p><i>In this regard, SPDA had sent a representation letter to MNRE for project capacity more than 5000 MW where PSA/PPA signed but are facing delays due to pending power procurement and tariff approval from their State Commissions.</i></p>
3.	<p><b>Non-opening of LCs by State Discoms</b></p> <p>In August 2019, MNRE notified that power dispatch will not happen if LC is not opened. However, some state like Telangana, Tamil Nadu, Karnataka are to yet to open LC.</p> <p><i>SPDA has sent letter for MNRE’s intervention to expedite the matter. Status is currently pending.</i></p>
4.	<p><b>Delay in signing of Lease Agreement of SPDs with Gujarat Power Corporation Limited (Solar Park Developers)</b></p> <p>a. SPDs are executing Solar power projects in Raghnesda Solar park, Gujarat under the auction conducted by GUVNL . Successful bidders signed PPA with GUVNL in Aug 2019 and implementation Support Agreement (ISA) with GPCL (the nominated solar park developer for the projects) Oct 2019. The land was handed over to SPDs by GPCL in Nov 2019 under the advance possession route.</p> <p>b. SPDA shared with MNRE that as a requirement for financial institutions, one of the major condition precedents is the signing of Lease Agreement with GPCL, which is pending as the lease agreement between GPCL and the Revenue Department of Govt. of Gujarat has not been signed yet.</p> <p><u>Current Status:</u> MNRE has discussed this matter with concerned authorities and resolved the issue.</p>
5.	<p><b>NGT order on CTU substations in Fatehgarh area, Rajasthan will impact readiness of evacuation system and commissioning schedule.</b></p> <p>a. A petition was filed in the NGT Delhi, alleging that Fatehgarh-II ISRS substation and the transmission lines by PGCIL are being setup on a deemed forest land.</p> <p>b. In this regard, a representation letter was sent to MNRE for their intervention w.r.t the NGT order which is expected to impact a total of 5GW of proposed Solar projects.</p>

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	MNRE expected to intervene by issuing necessary advice to PGCIL and concerned authorities that any development in the NGT case may not jeopardize the planned solar capacity.
6.	<p><b>Minimum Land requirement to be reduced for New Technology to fulfil FC conditions.</b></p> <p>As per RfS the land requirement is 1.5 Hectare per MW but with advancement in technologies especially with Mono PERC the land requirement has come down significantly. Therefore, MNRE to advise SECI for lowering down land as a compliance condition at the time of financial closure.</p> <p><i>SPDA Representation letter has been sent to Sec MNRE and is currently being examined.</i></p>
7.	<p><b>Open access projects under group captive projects.</b></p> <p>Need for uniformity and streamlining of State Discoms to comply with policy guidelines.</p>
8.	<p><b>Request to MNRE for publishing schedule of future bids</b></p> <p>SECI / Intermediate Procurer must float tenders after considering the DISCOMs near term plans, in terms of requirement.</p> <ol style="list-style-type: none"> <li>Nature of requirement: Peak vs RTC vs Solar vs Wind vs Hybrid</li> <li>RPO compliance</li> <li>Demand growth</li> </ol>
9.	<p><b>Setting up of committee in CEA to investigate RE curtailment across the country.</b></p>
10.	<p><b>a. Amendment in the BOM approval procedure (last)</b></p> <p>Approval of BOM by MNRE for CCDC requires possession of 100% land. As SBG guideline have been relaxed for land documentation, BOM approval procedure should be changed.</p> <p><i>SPDA representation is being currently examined by MNRE to streamline the online portal process.</i></p> <p><b>b. Amendment in BOM Procedure to enable C&amp;I projects for RPO obligated entities to access ISTS connectivity.</b></p> <p>Connectivity Procedure allows only LOAs issued by SECI/NTPC/REIAs. PPAs signed with RPO obligated entities C&amp;I developers should be allowed.</p> <p><b>c. Revision of quantity of tracker for solar projects.</b></p> <p>Quantity of tracker for solar projects needs to be revised upwards as current norm of 43 MT/MW AC side is not enough and it should be 43 MT/MW on DC side.</p> <p><i>SPDA sent a representation letter along with a provisional list of items for quantity tracker to be reviewed by MNRE &amp; a committee to be setup in this process to expedite this matter.</i></p>

**Other issues:**

- ALMM list will be issued.
- Basic Custom Duty on solar cells and module will be issued soon.
- MNRE has asked clarification of 5% GST from Revenue department of APGENCO.
- SPDs sought MNRE's clarification and intervention regarding applicability of GST on User Development fee by Solar Park agency in Gujarat.