ORDER


The sanction of the President of India is hereby accorded for continuation of Off-grid and Decentralized Solar PV Applications Programme in Phase III for financial years 2018-19 and 2019-20. The operational guidelines for implementation of the Programme for Phase-III are placed at Annexure.

2. This Order is for implementation of "Off-grid and Decentralized Solar PV Applications Programme" during financial years 2018-19 and 2019-20 towards meeting the targets of the Jawaharlal Nehru National Solar Mission (JNNSM). The funds for its implementation would be met from Plan allocation made during financial years 2018-19 onwards with an overall Plan Outlay of Rs. 656 Crores.

3. Year-wise financial requirement under the scheme is as given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sanctioning target (MWp)</th>
<th>Proposed Outlay (₹ in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td>50</td>
<td>276</td>
</tr>
<tr>
<td>2019-20</td>
<td>68</td>
<td>380</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>656</td>
</tr>
</tbody>
</table>

4. The implementation of above mentioned Programme will come in to effect from the date of issue of Administrative Approval along with its Operational Guidelines.

5. This sanction issues in exercise of powers delegated to this Ministry and with the concurrence of IFD vide their Dy. No. 233 dated 03.08.2018.

Enclosed: As above.

(J. K. Jethani)
Scientist-E

To
The Pay and Accounts Officer,
Ministry of New and Renewable Energy,
New Delhi
Copy for information and appropriate action to:
1. All Central Ministries and Departments;
2. Department of Public Enterprises (DPE), Block No. 14, CGO Complex, Lodhi Road, New Delhi
3. Principle Director of Audit, Scientific Audit-Il, DGACR Building, I.P. Estate, Delhi
4. Principal Secretaries/Secretaries(Energy Departments) of all States/UTs
5. State Nodal Agencies of all States/UTs
6. All Municipal Commissioners
7. CMD, IREDA, first floor, East Court, Indian Habitat Centre, Lodhi Road, New Delhi
8. Director General, Bureau of Indian Standards, Manak Bhawan, 9, Bahadur Shah Zafar Marg, New Delhi
10. Managing Director, Solar Energy Corporation of India, D-3, A-Wing, 1st Floor, Religare Building, District Centre, Saket, New Delhi
11. All Nationalized Banks

Copy also to:
1. PS to Hon'ble Minister for Power and New & Renewable Energy
2. PPS to Secretary, MNRE
3. PPS to AS, MNRE
4. PPS to AS & FA, MNRE
5. PPS to JS(Solar), MNRE
6. All Advisers & Group Heads
7. All Directors, PSOs
8. All Under Secretaries in MNRE
9. Director (NIC) to upload this on the Ministry's website
10. CA, MNRE/Cash Section
11. Hindi section for Hindi version
12. Sanction folder

(J. K. Jethani)
Scientist-E
Guidelines of Off-grid and Decentralized Solar PV Applications Programme –Phase III

1. Background

1.1. The Off-grid and Decentralized Solar PV Applications Programme as part of the National Solar Mission is primarily focused on providing energy access solutions in the rural and remote areas. During Phase-I and Phase-II of the programme main thrust was given on important applications especially relevant to rural development such as solar lighting, solar water pumps for irrigation and drinking water facilities, solar study lamps for students and mini/micro-grids. Based on the experience gained during the Phase I and Phase II, the programme of Off-grid and Decentralised Solar PV Applications is being expanded in Phase III, with improved technology and cost reduction through innovative procurement mechanisms.

1.2. Under Phase-III of the Programme, it is targeted to create 118 MWp equivalent solar power capacity by 31.03.2020 through off grid solar PV applications.

2. Scope of the Guidelines

2.1. Solar street lights: Installation of 3,00,000 numbers of solar street lights throughout the country, with special emphasis on areas where there is no facility for street lighting systems through grid power, North Eastern States and Left Wing Extremism (LWE) affected districts.

2.2. Solar power plants: Installation of solar power plants of individual size up to 25 kWp in areas where grid power has not reached or is not reliable. Such plants are mainly aimed at providing electricity to schools, hostels, panchayats, police stations and other public service institutions. The aggregated capacity of solar power plants to be installed during the Programme tenure would be 100 MWp.

2.3. Solar study lamps: Providing 25,00,000 numbers of solar study lamps in North Eastern States and LWE affected districts to school going children, up to level of SSC, in backward and remote areas in North Eastern states and LWE affected districts.

3. Funding pattern

3.1. Solar street lights and solar power plants: Central financial assistance (CFA) for solar street lights and solar power plants will be 30% of the benchmark cost of the system or the tender cost, whichever is lower. In North Eastern States including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands CFA of 90% of the benchmark cost or tender cost whichever is lower, will be provided.
3.2. **Solar study lamps**: For Solar Study Lamps CFA of 85% of the lamp cost will be provided and balance 15% of the lamp cost will be borne by beneficiary student.

3.3. A total of 3% of the eligible CFA will be provided as service charges to the Implementing Agencies. Implementing agency will not impose any additional charges on beneficiaries and/or vendors for implementation of projects under this Programme.

3.4. Benchmark costs will be revised by the Ministry from time to time depending upon market conditions.

4. **Approval Mechanism**

4.1. **Solar street lights and solar study lamps**: Allocation for solar street lights and solar study lamps will be done by a Screening Committee, headed by Secretary, MNRE, in one go after aggregating the demand from the States/UTs.

4.2. **Solar power plants**: Proposals for solar power plants will be sanctioned once in each quarter by the above Screening Committee. However, target capacity will be sanctioned by 31.3.2019 so that projects are completed within timeline of the Phase-III of the Programme.

4.3. Proposals for new installations will only be considered by the Screening Committee. Proposals wherein the systems have already been installed/ under installation will not be considered for approval under the Programme by the Screening Committee.

5. **Implementation Arrangements**

5.1. Programme will be implemented through State Nodal Agencies (SNAs), which will be the designated Implementation Agency under the scheme. Public sector undertakings can be implementation agencies for remote/hilly or border areas for the Solar power plants on the request of State Agencies.

5.2. Implementing agencies will submit proposals through online portal to MNRE for approval. Offline proposals will not be accepted, unless MNRE has given a general exemption from the requirement of online submission for any specific period of time.

5.3. **Procurement**

5.3.1. Procurement under the Programme shall preferably be done through e-tender route.

5.3.2. **Solar street lights and solar study lamps**: In order to achieve cost reduction through economies of scale, the procurement of solar street lights and solar study lamps will be done through centralized tender through PSU(s) designated by MNRE. The designated PSU(s) will undertake the bidding process on behalf of SNAs after aggregating the allocations sanctioned to
SNAs. Such PSU(s) will make sure that procurement of solar street lights and solar study lamps should be done as per MNRE specifications and standards. For this after vendor selection, a tripartite agreement would be signed between the PSU, SNA and the selected vendor. After procurement of solar street lights the same shall be installed by the vendor(s) and the Student lamps shall be distributed by the vendor(s) as per the details provided by respective SNAs. The vendors shall co-ordinate with SNAs for repair and maintenance of Solar street lights and student lamps for a period of five years. For centralised procurement, PSUs shall be given the service charge of 0.5% out of 3% service charge being provided under this scheme.

5.3.3. **Solar power plants**: For solar power plants, implementing agencies after submitting Detailed Project Report (DPR) as per prescribed format, may choose to start the preparatory activities including tendering process. However, the Letter of Award/Purchase Order shall be placed to the selected vendor(s) only after the issue of sanction letter by MNRE. Further, MNRE will not be responsible for any liabilities arising out of a situation where the proposal is eventually rejected.

5.4. **Solar study lamps - additional instructions:**

5.4.1. To avoid duplication, solar study lamps will be provided in blocks which have not been covered under any existing/closed scheme of MNRE. In any block which have already been covered under any such earlier scheme and if any school in the block has been left out totally during implementation of that scheme, such a school can also be taken up under this new scheme. Solar study lamps will be distributed by implementing agencies in close coordination with State’s Education Department and/or any other designated agency by State Govt. Details of beneficiary students are to be provided to MNRE in the prescribed format.

5.4.2. Selected vendors shall provide sufficient tools & spares and authorize a local person in every block for maintenance and upkeep of solar study lamps. In addition, the vendor shall have one service center in each of operational district and a helpline in local language in each operational State. The components of solar study lamps shall have warranty as specified by MNRE.

5.5. **Solar street lights- additional instructions:**

5.5.1. In case of solar street lights the selected vendor shall be responsible for design, supply, installation and commissioning of solar street light along with 5 years maintenance. To ensure timely maintenance of solar street lights, apart from training a local person and making available necessary spare parts & tools in each block, the vendor shall have one authorised service centre in each operational district and a helpline in local language in each operational State. At least 10% of the street lights sanctioned in a State/ UT shall be provided with remote monitoring system. Details of solar street light installations are to be provided to MNRE in the prescribed format.
5.6. **Solar power plants - additional instructions:**

5.6.1. In case of solar power plants the selected vendor shall be responsible for design, supply, installation and commissioning of solar street light along with 5 years comprehensive maintenance of the plant. Vendors will provide necessary spare parts & tools including detailed operation and maintenance manual and will provide necessary training to local persons for operation and day to day maintenance of the plant. The vendor shall have one authorised service centre in each of operational district and a helpline in each operational State. All solar power plants sanctioned under the Programme shall be provided with remote monitoring system. It will be mandatory to submit quarterly maintenance report along with performance data of solar power plant online to MNRE in format prescribed by MNRE. In order to ensure timely maintenance of solar power plants, SNAs may opt for deposit of bank guarantee by the vendor.

5.6.2. The Implementing Agencies will be responsible for the following activities:

i. Site survey and examination of DPR to ascertain fulfilment of the eligibility conditions for CFA, before submitting the online proposals related to solar power plants to MNRE.

ii. Demand aggregation for solar street lights and solar study lamps.

iii. Oversee installation and distribution of systems.

iv. Inspection of installed systems and online submission of completion reports to MNRE.

v. Disbursement of MNRE CFA and submission of utilization certificates and audited statement of expenditure through EAT module.

vi. Online submission of monthly and quarterly progress reports.

vii. Ensure project completion within the given timelines and compliance of MNRE Guidelines and Standards.

viii. Online and offline maintenance for records.

ix. Ensure compliance of AMC and training of locals by the vendors.

x. Any other activity to ensure successful implementation of the programme.

5.7 The guidelines shall be made part of bid document to ensure clarity on various provisions to the prospective bidders.

6 **Project Duration**

6.1 **Solar street lights and solar study lamps:** For solar street lights and solar study lamps, where the procurement is done through centralized tender, the distribution of solar study lamps and installation of solar street lights shall be completed within one year from the date of issue of LoA to the vendor by the PSU.

6.2 **Solar power plants:**

6.2.1 The projects related to solar power plants shall be completed within 12 months from the date of sanction by MNRE. However, for North Eastern States
including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands this time limit will be 15 months from the date of sanction. Extension in project completion timelines, up to a maximum period of three months, will be considered at the level of Group Head in MNRE and upto 6 months at the level of Secretary in MNRE on submission of valid reasons by the implementing agency. However, such extension will attract reduction in service charges to implementing agency as under:

a. 10% reduction in applicable service charges for delay of more than one month in completion of project.
b. Further reduction of 20% of service charges for delay of more than two month and up to three months.
c. Further reduction of 20% of service charges for delay of more than three month and up to six months
d. No service charges for delay in completion of more than six months.

6.2.2 Work Orders for the solar power plants shall be placed within six months from date of sanction by MNRE, failing which the service charge to the implementing agency shall be reduced by 10% for every month of delay or part thereof. Apart from this MNRE, may, at its discretion, cancel the sanction also in case of delay beyond six months if it comes to the conclusion that no appreciable progress has been made after issue of sanction.

6.3 No extension will be granted beyond six months and only the systems which are installed in all respects and commissioned within stipulated time period will be considered for release of subsidy.

7 Release of Funds

7.1 Solar street lights and solar power plants: Eligible CFA including applicable service charges would be released to the implementation agency on completion of the project(s) as per terms and condition of the sanction issued by MNRE. For this purpose, the funds would be released every quarter for the project(s) reported to be complete at the end of the quarter, on acceptance of the Project Completion Report in the prescribed format and other related documents by the Ministry.

However, in case of North Eastern States including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Lakshadweep and A&N Islands funds up to 25% of the benchmark cost or cost discovered through tenders, whichever is less, for the sanctioned quantity/capacity would be released as advance to the implementing agency only after placement of letter of award(s) to the selected vendors. The implementing agencies may pass on this fund to the selected vendors in different stages on achievement of various milestones as per terms and
conditions of letter of award(s). The balance eligible CFA along with applicable service charges would be released on acceptance of the Project Completion Report in the prescribed format, Utilization Certificates as per GFR and other related documents by the Ministry.

7.2 **Solar study lamps:** Funds up to 25% of the benchmark cost or cost discovered through tenders, whichever is less, for the sanctioned quantity would be released as advance to the implementing agency only after placement of letter of award(s) to the selected vendors. The implementing agencies may pass on this fund to the selected vendors in different stages on achievement of various milestones as per terms and conditions of letter of award(s). The balance eligible CFA along with applicable service charges would be released on acceptance of the Project Completion Report in the prescribed format, Utilization Certificates as per GFR and other related documents by the Ministry.

7.3 All progress and completion documents will be submitted through online portal.

8 **Monitoring**

Monitoring of the Programme and its implementation will be carried out during the period of implementation of the Programme as is given below:

8.1 The implementing agency would be responsible for monitoring parameters such as end-use verification and compilation of statistical information.

8.2 Implementing agencies will submit monthly progress report for the sanctioned projects.

8.3 Vendors will mandatorily provide AMC for a period of 5 years from the date of commissioning of the systems. AMC will include submission of quarterly inspection report of the installation as per prescribed format.

8.4 Funds may be released by implementing agency to the vendor on submission of bank guarantee equivalent to 10% of the cost of systems installed by that vendor for a period of five years. Alternatively, BG may be provided initially for a period of two years which may be extended on year to year basis thereafter.

8.5 The Ministry officials or designated agency may inspect the ongoing installation or installed plants. In case the installed systems are not as per standards, non-functional on account of poor quality of installation, or non-compliance of AMC, the Ministry reserves the right to blacklist the vendor. Blacklisting may inter-alia include the following:

8.5.1 The Vendor/Firm will not be eligible to participate in tenders for Government supported projects.
8.5.2 In case, the concerned Director(s) of the firm/company joins another existing or starts/ joins a new firm/company, the company will automatically be blacklisted.

9 Technical Requirements and Testing
9.1 Systems installed under this Programme should meet technical specification and construction standards as specified by BIS and MNRE from time to time. Non-compliance will be taken seriously to the extent of blacklisting of the vendor, in the same manner as specified in Clause 8.5 above, apart from taking action under any other law in force.

9.2 Only indigenously manufactured PV modules should be used in the Programme.

10 Interpretation of the Guidelines
10.1 In case of any ambiguity in interpretation of any of the provisions of these guidelines, the decision of the Ministry shall be final.

11 Review of Guidelines
11.1 The Guidelines would be reviewed by an Internal Review Committee Chaired by Secretary in MNRE and modifications therein would be incorporated by the Ministry.

12 Programme Evaluation
12.1 The Programme will be evaluated at the end of Phase-III and further up-scaling would be considered based on the outcome of evaluation.