File No: 283/69/2017-GRID SOLAR
Government of India
Ministry of New & Renewable Energy

Block NO. 14, CGO Complex,
Lodi Road, New Delhi-110 003,
Dated: 21st February 2018

CORRIGENDUM

Subject: Amendment in the Guidelines for implementation of a scheme for setting up of over 5,000 MW Grid-Connected Solar PV Power Projects with Viability Gap Funding (VGF) under Batch-IV of Phase II of the JNNSM - reg.

This has reference to the Guidelines for Implementation of a scheme for setting up of over 5000 MW Grid-connected SPV power projects under Batch-IV of JNNSM Phase-II, issued vide this Ministry’s O.M. of even number dated 14-03-2016. The Guidelines are amended as follows:

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<th>Para/Clause No.</th>
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<td>1.2</td>
<td>1.2, NSM Phase-II, Batch-IV: Over 5000 MW VGF Scheme (refers to the amendment in the Guidelines issued vide corrigendum of No. 32/3/2014-15/GSP (Pt.) dated 22nd June 2017):</td>
<td>1.2, NSM Phase-II, Batch-IV: Over 5000 MW VGF Scheme:</td>
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Solar Energy Corporation of India (SECI) has been designated as the implementing agency for selection of Grid-connected Special Purpose Vehicle (SPV) projects for a cumulative capacity of at least 5000 MW to be set up on „Build-Own-Operate” basis through Viability Gap Funding (VGF) mechanism. The Solar Projects under the State Specific VGF Scheme will be set up in the Solar Parks of various states, to be developed through coordinated efforts of Central and State Agencies. However, as implementation of solar parks have begun recently, it could be possible that Solar Parks in some of the States may not be feasible or do not become available soon. For such States, Solar Projects would be allowed to be located outside solar parks with land being provided either by the State Government, or arranged by the Solar Power Developers (SPDs).

These Guidelines shall form the basis for selection of Grid Connected Solar Photo Voltaic (PV) projects under this scheme. Out of total capacity of 5000 MW,
MNRE may fix some quantity of power to be procured with domestic content requirement of cells and modules made in India depending on availability and price. SECI shall tie up for selling arrangements with State(s)/other buying entities before issue of Request for Selection (RfS) for the whole capacity to be invited. First priority shall be given to the host State for partial or full capacity to be invited by SECI. The remaining capacity shall be given to other willing State(s)/other buying entities as per the demand and for which the Host State shall facilitate Inter-State transfer of power.

### 3.2, Mechanism of Operation of the VGF Scheme:

**Amendments being made only for following sub-para (s)/sub-clause:**

**3.2(iii). Project capacity:** It will be determined by SECI for each tender, but will not be less than 10 MW. SECI may also divide the bid lot into different sized projects in order to match plot sizes in the solar park or to provide fair participation. The state-wise allocation of the capacity (along with DCR component) and the maximum capacity allocation for a company including its Parent, Affiliate or Ultimate Parent or any Group Company may be fixed by SECI based on the requirements of the Host States.

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### 1.4, Implementation Agency

Solar Energy Corporation of India (SECI) will be the nodal agency for implementation of this Scheme. A fund handling charge @1% of the total VGF disbursed shall be payable to SECI out of the sanctioned VGF. SECI will develop a suitable monitoring mechanism, conduct review meetings, conduct studies to analyze the performance of the projects, carry out random checks to verify compliance of quality standards and additionally the compliance of DCR for DCR Category. No separate funding shall be provided by MNRE to SECI for these activities.

### 3.2, Mechanism of Operation of the VGF Scheme:

**Amendments stands only for following sub-para (s)/sub-clause:**

**3.2(iii). Project capacity:** It will be determined by SECI for each tender, but will not be less than 10 MW. SECI may also divide the bid lot into different sized projects in order to match plot sizes in the solar park or to provide fair participation. The state-wise allocation of the capacity (along with DCR component) and the maximum capacity allocation for a company including its Parent, Affiliate or Ultimate Parent or any Group Company may be fixed by SECI based on the requirements of the Host States.
3.2(vi). Selection of projects: The Project developer will be provided a Viability Gap Funding based on his bid. The upper limit for VGF is kept at Rs. 1.0 crore/MW for open category and Rs. 1.25 crore/MW for projects in DCR category. SECI will select projects through competitive e-bidding based on minimum VGF sought (quoted in INR/MW), or there may be a provision for quoting a discounted tariff (quoted in INR/kWh). In case of discounted tariff option, the bidders will bid zero and indicate its fixed tariff for all the years. The bidding will be State specific and conducted through an ‘e-bidding along with e-Reverse Auction’ process and the interested bidders shall be required to register themselves on a web-based portal identified by SECI for e-bidding/e-auction.

The selection of bids will be done by SECI based on the lowest VGF /discounted tariff in the ascending order as quoted by the bidders during the auctioning, till the entire capacity is allocated. The selected bidders will be awarded the projects based on the respective VGF/ discounted tariff quoted for the corresponding projects. The bidders will be free to avail fiscal incentives like Accelerated Depreciation (AD), concessional customs and excise duties, tax holidays, etc. available for such projects. As equal opportunity is being provided to all bidders at the time of tendering itself, it is up to the bidders to avail various tax and other benefits. However, no bidder will be allowed to claim both AD and VGF.

3.2(ix). Domestic Content Requirement: MNRE may fix some quantity of power to be procured with domestic content requirement of cells and modules made in India depending on availability and price.

The whole para 3.2(ix) shall be deleted.

3.9 Domestic Content Requirement (DCR)

MNRE shall intimate the DCR capacity to SECI before announcement of State Specific Bid. Under DCR, the solar cells and modules used in the solar PV power plants must both be made in India. In case of crystalline Silicon technology, all process steps and quality control

The whole para 3.9 shall be deleted.
measures involved in the manufacture of the Solar Cells and Modules from P-type (or N-type) wafers till final assembly of the Solar Cells into Modules shall be performed at the works of PV manufacturers in India. The requisite P-type (or N-type) wafers and other raw materials can be imported. In case of Thin-film technologies, the entire Modules assembly comprising of Thin-film Solar Cells shall be manufactured in India. The starting substrate (without any semiconductor junction) and other requisite raw materials can be imported. The Bidders at the time of bidding may opt for either "DCR Category" or "Open Category" or both the categories. They will submit separate Bids under both the categories.

3.10 Selection of Projects under the VGF scheme

a. The selection of Projects shall be done through two-stage e-bidding and e-Reverse Auction, as detailed in the RfS document to be issued by SECI. The procedure for conducting e-bidding and e-auctioning shall be framed by SECI.

b. Based on the RfS notification issued by SECI, separate Technical and Financial bids will be submitted by the developer in his Application, separately for the "DCR" and "Open" categories, as per his choice. The financial bid will clearly indicate per MW VGF required from SECI in Indian Rupees against each project for which the bid is submitted.

3.14 Financial Closure/Project Financing Arrangements

Amendments being made only for following sub-para/sub-clause:

3.14.1 For projects located in Solar Parks:
The Project Developer shall report tie-up of Financing Arrangements for the projects within 6 months from the date of signing Power Purchase Agreement. At this stage, the Project Developer would furnish within the aforesaid period the necessary documents to establish that the required land for project development is in clear

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2. This issues with the approval of Competent Authority.

Copy to:
1) PS to Hon’ble Minister (Power & NRE)
2) PPS to Secretary, MNRE
3) PPS to Additional Secretary, MNRE
4) PS to JS & FA, MNRE
5) PS to Advisor (NSM), MNRE
6) MD, SECI
7) Director, NIC Cell, MNRE (With a request to upload the corrigendum on the web-site of MNRE).