

# JAWAHARLAL NEHRU NATIONAL SOLAR MISSION

## *Building Solar India*

Guidelines for

OFF-GRID AND DECENTRALIZED SOLAR APPLICATIONS  
&  
ROOFTOP AND OTHER SMALL SOLAR POWER PLANTS



GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY





# JAWAHARLAL NEHRU NATIONAL SOLAR MISSION

*Building Solar India*



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GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY



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DR. FAROOQ ABDULLAH



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MINISTER  
NEW AND RENEWABLE ENERGY  
GOVERNMENT OF INDIA



June 16, 2010

## *Message*

Jawaharlal Nehru National Solar Mission is one of the eight National Missions which comprise India's National Action Plan on Climate Change. It has the twin objectives of contributing to India's long-term energy security and its ecologically sustainable growth. We are living in a world of rapidly depleting fossil fuel resources with access to conventional energy resources such as oil, gas and coal becoming increasingly constrained. Besides, there are a large number of areas in the country, which do not have access to electricity. Many other areas face power shortages. Huge quantities of kerosene and diesel are used to meet the lighting and power requirements of these areas. In this context, and in view of the high solar radiation over the country, the rapid development and deployment of solar energy applications in the country would be critical to provide long term sustainable solutions, providing energy access and substantially reducing fossil fuel consumption.

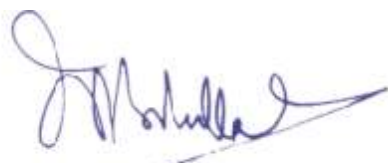
In pursuance of the above objectives, the Prime Minister launched the Jawaharlal Nehru National Solar Mission on 11th January, 2010. The Mission will be implemented in 3 stages leading to an installed capacity of 20,000 MW of grid power, 2,000 MW of off-grid solar applications and 20 million sq. m. solar thermal collector area and solar lighting for 20 million households by the end of the 13th Five Year Plan in 2022. The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country both at centralized and decentralized levels. Apart from feeding 1,000 MW of solar power (solar thermal and photovoltaic) to the grid, the first phase (up to March 2013) will focus on promoting 200 MW capacity of off-grid solar energy applications to meet/supplement power, heating and cooling energy requirements and promoting 100 MW capacity of tail end and other small grid connected solar power plants.

In order to give practical shape to the vision and objectives outlined in the Solar Mission Document, we need a set of guidelines or ground rules. It is to address this need that the Ministry has prepared two separate sets of guidelines-one for off-grid or decentralized applications and the other for tail end and other small grid connected solar power plants. Taken together, these guidelines seek to address four critical areas access to rural households for lighting and daily power requirements; reduction in consumption of kerosene and diesel; energy demand management through solar thermal systems and improvement of efficient transmission by feeding power at consumption points. For both guidelines in general and off-grid-guidelines in particular, we have attempted to make the process demand-driven, market-based and user-benefit oriented. We have tried to establish additional channels to facilitate direct contact between users and the supplier of solar energy products. Thus there is a broadening of the market and reach. I hope these guidelines will help us to reach a larger number of potential users. However, I would also like to add here that flexibility on part of the Ministry entails and obligates responsibility sharing on part of the user community. Therefore, it is equally important that projects are prepared to meet the specific needs of the users, there is emphasis on innovation and cost-reduction and that quality and reliability of the products is sacrosanct- to be maintained at all costs.

Off-grid solar energy applications have tremendous potential in reaching out to people in rural and remote areas by providing lighting and basic energy services to them. Solar lights are being financed by many regional rural banks. Solar lanterns are being supplied in market mode. Many States have prepared projects for providing lighting/basic power to schools to run computers, lights for tribal hostels, functioning of panchayat offices, police stations, rural bank offices, etc. There are many other potential applications. Like off-grid usage, decentralized solar applications too have an immense potential to generate power and reduce diesel consumption particularly during daytime. Roof-top solar power applications for day-time use and abatement of diesel and usage in industrial areas with substantial power shortages could be potential thrust areas. Similarly, solar thermal heating applications, such as water heaters for residential, commercial, institutional and industrial applications are those which are already commercially viable or near grid parity. These and several other solar thermal applications can help urban areas and industries in reducing their dependence on grid besides reducing diesel/gas consumption.

There are substantial losses as electricity flows from points of generation to distribution. Feeding of power at consumption points would not only help reduce these losses but also help strengthen the grid and its performance and ease the flow of electricity downwards. Feeding power to LT/11 KV grid is thus yet another important application, which can help our villages and also industry by providing additional powers to run irrigation pump sets or meet the unmet power requirement in the daytime, as well as avoid use of diesel generators. Small solar plants of 1-2 MWp capacity can support a large number of irrigation pumps. Many States are keen to set up such plants to augment power supply especially in rural areas. We would like to build a network of such plants across India. The second set of guidelines that we are releasing today is targeted at this objective.

While launching the Jawaharlal Nehru National Solar Mission, the Prime Minister outlined his vision for a Solar India. Today, as we move forward towards giving wings to his dream, it is important that all stakeholders realize that achievement of the goals involves application, innovation and dedication. It is important that projects are well prepared and that solar energy systems are designed to meet the specific needs of the people; quality and reliability of the products is maintained and that innovation and continuous cost reduction are relentlessly pursued. I am confident that the guidelines that are being released today will create the ecosystem that encourages all of the above and that state governments, entrepreneurs and beneficiaries will take abundant advantage of the schemes and fulfill our dreams for a strong and vibrant Solar India.



(Farooq Abdullah)





# Jawaharlal Nehru National Solar Mission

## Introduction

The Jawaharlal Nehru National Solar Mission is a major initiative of the Government of India and State Government to promote ecologically sustainable growth while addressing India's energy security challenge. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change.

"Our vision is to make India's economic development energy-efficient. Over a period of time, we must pioneer a graduated shift from economic activity based on fossil fuels to one based on non-fossil fuels and from reliance on non-renewable and depleting sources of energy to renewable source of energy. In this strategy, the sun occupies centre-stage, as it should, being literally the original source of all energy. We will pool our scientific, technical and managerial talents, with sufficient financial resources, to develop solar energy as a source of abundant energy to power our economy and to transform the lives of our people. Our Success in this endeavour will change the face of India. It would also enable India to help change the destinies of people around the world."

Dr. Manmohan Singh, Prime Minister of India  
Launching India's National Action Plan on Climate Change on June 30, 2008

The National Action Plan on Climate Change also points out: "India is a tropical country, where sunshine is available for longer hours per day and in great intensity. Solar energy, therefore, has great potential as future energy source. It also has the advantage of permitting the decentralized distribution of energy, thereby empowering people at the grassroots level".

Based on this vision Jawaharlal Nehru National Solar Mission is being launched under the brand name "Solar India".

## Mission Objectives

The objective of the Jawaharlal Nehru National Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its large scale diffusion across the country as quickly as possible.

The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The first phase (up to 2013) will focus on capturing of the low hanging options in solar; on promoting off-grid systems to serve populations without access to commercial energy and modest capacity addition in grid-based systems. In the second phase, after taking into account the experience of the initial years, capacity will be aggressively ramped up to create conditions for up scaled and competitive solar energy penetration in the country.

## Mission Activities

Policy and Regulatory Framework

Fiscal Incentives

Solar Manufacturing in India

Research and Development

Human Resource Development

International Collaboration

## Mission targets

To create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022.

The aspiration is to ensure large-scale deployment of solar generated power for gridconnected as well as distributed and decentralized off-grid provision of commercial energy services.

To promote programmes for off grid applications, reaching 1000 MW by 2017 and 2000 MW by 2022 .

To create favourable conditions for indigenous solar manufacturing capability and market leadership.

To ramp up capacity of grid-connected solar power generation to 1000 MW within three years – by 2013; an additional 3000 MW by 2017 through the mandatory use of the renewable purchase obligation by utilities backed with a preferential tariff. The target for 2022 of 20,000 MW or more, will be dependent on the ‘learning’ of the first phase, which if successful, could lead to conditions of grid-competitive solar power.

### The deployment across the application segments is envisaged as follows:

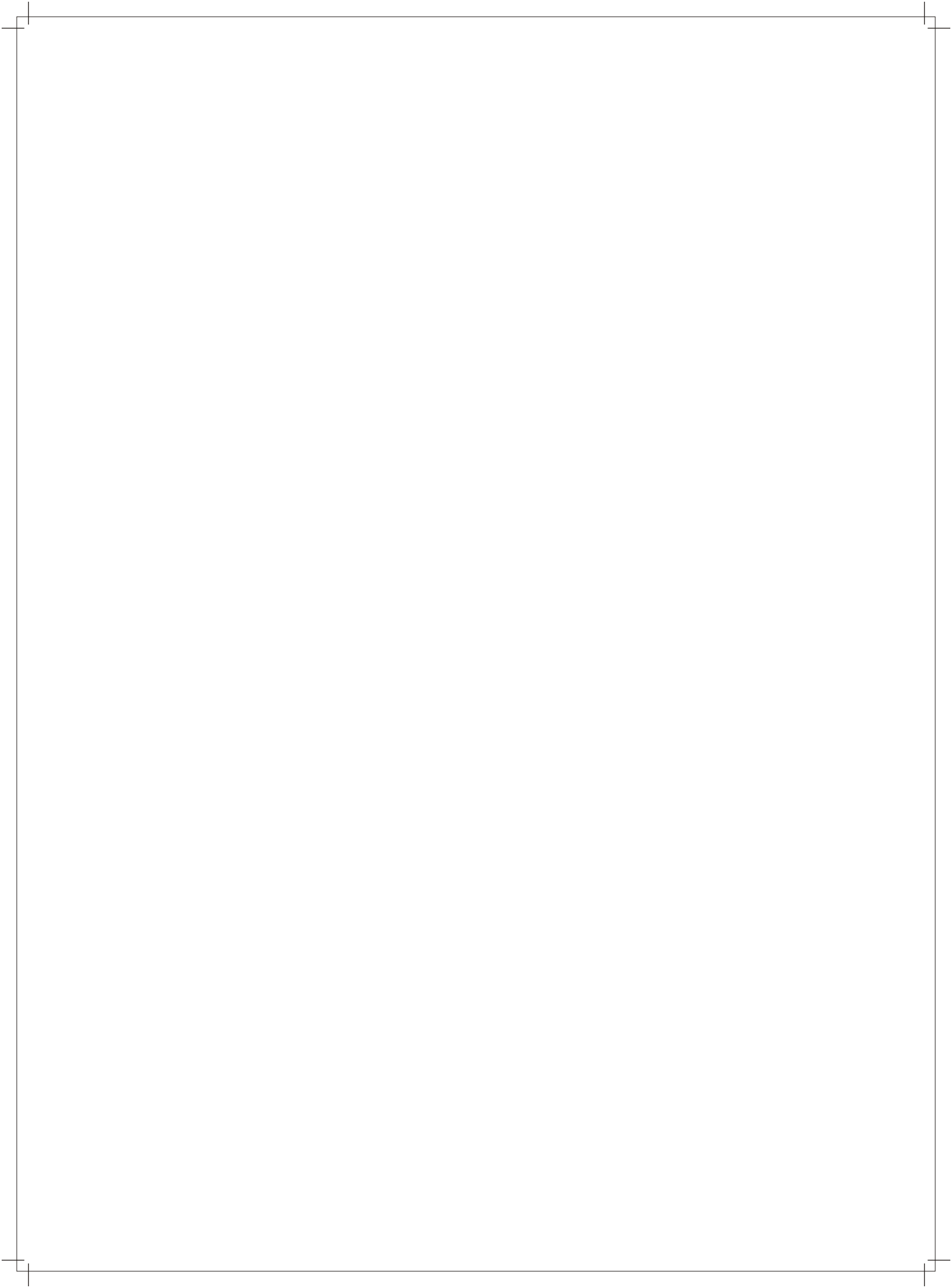
S.No.	Application Segment	Target		
		Phase-1 (2010-13)	Phase-2 (2013-17)	Phase-3 (2017-22)
1.	Solar thermal collectors	7 million sq meters	15 million sq meters	20 million sq meters
2.	Off grid solar applications	200 MW	1000 MW	2000 MW
3.	Grid power, including roof top and small plants	1,100 MW	4000-10,000 MW	20000 MW

# JAWAHARLAL NEHRU NATIONAL SOLAR MISSION

*Building Solar India*

Guidelines for

OFF-GRID AND DECENTRALIZED SOLAR APPLICATIONS



## 1. Background:

The Government has recently launched the Jawaharlal Nehru National Solar Mission, which is a major initiative of the Government of India and State Governments to promote ecologically sustainable growth while addressing India's energy security challenge. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change.

The immediate aim of the Mission is to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The first phase (up to March 2013) will, inter alia, focus on promoting off-grid systems including hybrid systems to meet / supplement power, heating and cooling energy requirements. These systems still require interventions to bring down costs but the key challenge is to provide an enabling framework and support for entrepreneurs to develop markets.

In order to create a sustained interest within the investor community, it is proposed to support viable business models. Flexibility is an integral feature of this scheme. The scheme is completely demand driven as it offers a bouquet of incentive instruments from which eligible entities can tailor a package appropriate to their needs and circumstances within the boundary conditions of the scheme.

## 2. Objectives:

- 2.1 To promote off-grid applications of solar energy (both SPV and Solar Thermal) for meeting the targets set in the Jawaharlal Nehru National Solar Mission for Phase-I.
- 2.2 To create awareness and demonstrate effective and innovative use of Solar systems for individual/ community/ institutional/ industrial applications.
- 2.3 To encourage innovation in addressing market needs and promoting sustainable business models.
- 2.4 To provide support to channel partners and potential beneficiaries, within the framework of boundary conditions and in a flexible demand driven mode.
- 2.5 To create a paradigm shift needed for commoditization of off-grid decentralized solar applications.

2.6 To support consultancy services, seminars, symposia, capacity building, awareness campaigns, human resource development, etc.

2.7 To encourage replacement of kerosene & diesel, wherever possible.

## 3. Scope of the Scheme:

3.1 The scheme would be applicable to all parts of India and would, to begin with, be co-terminus with Phase-I of the Jawaharlal Nehru National Solar Mission and will, inter alia, focus on promoting off-grid and decentralized systems, including hybrid systems to meet / supplement lighting, electricity/power, heating and cooling energy requirements. In respect of hybrid systems for which there is a specific scheme (eg. wind solar), provisions thereof would apply. However, in respect of hybrids for which there is no specific scheme (i.e. with other renewable energy components), the scheme for the respective off grid renewable source, would be the basis for calculating the subsidy. Initially, only solar wind-solar hybrid and solar bioenergy hybrids would get considered under the scheme but the Project Appraisal Committee could also examine other feasible hybrid technologies for inclusion in the scheme.

3.2 Various off-grid solar photo voltaic systems / applications up to a maximum capacity of 100 kWp per site and off-grid and decentralized solar thermal applications, to meet / supplement lighting, electricity/power, heating and cooling energy requirements would be eligible for being covered under the Scheme. For mini-grids for rural electrification, applications up to a maximum capacity of 250 kW per site, would be supported.

3.3 Soft loans for projects, including a component for working capital, will be available to SME manufacturers of solar thermal systems and Balance of systems manufacturers for Solar PV (excluding battery manufacturers), in order to promote technology up-gradation, improvement in technology, expansion in production facilities, etc. through refinance facility implemented through IREDA.

3.4 Boundary conditions for the scheme are at Annexure IA and IB.

3.5 A provision of 3% of the annual budgeted outlay for scheme, shall be made for administrative expenditure, evaluation and other studies, seminars, information dissemination, IEC activities, capacity building and support for putting in IT enabled monitoring mechanisms, etc. An incentive scheme for banks has been detailed out in Annexure 2.

#### 4. Implementation Arrangements:

4.1 The Scheme would be implemented through multiple channel partners for rapid up-scaling in an inclusive mode. It is envisaged that these channel partners would enable significant reduction in transaction cost and time, since without these arrangements, individuals and small groups of clients may not be in a position to access the provisions of the scheme. Channel partners which would be used for implementation could include the following:-

- a) Renewable Energy Service providing Companies (RESCOs)
- b) Financial Institutions including microfinance institutions acting as Aggregators
- c) Financial Integrators
- d) System Integrators
- e) Programme Administrators

4.2 The details of the channel partners are as under:

- a) Renewable Energy Service Provider Companies (RESCOs):

These are companies which would install, own & operate RE systems and provide energy services to consumers. These entities may tie up with FIs for accessing the financial support under the scheme.

- b) FIs including MFIs acting as Aggregators:

These would be institutions which are involved in consumer finance and have established base of customers in rural/urban areas and outreach through self help groups, etc. These would typically access interest subsidy through refinance facility as also credit linked capital subsidy on behalf of their borrowers from IREDA.

- c) Financial Integrators:

These are entities which would integrate different sources of finance including carbon finance,

government assistance and other sources of funds to design financial products/ instruments and make these available to their clients at an affordable cost. These entities would tie up with manufacturers and service providers.

- d) System Integrators:

These are companies/ entities which would provide RE systems & services to clients including design, supply, integration and installation, O&M and other services. These entities may tie up with FIs for accessing the financial support under the scheme.

- e) Programme Administrators:

These would include, inter alia, Central and State Government Ministries and Departments and their organizations, State Nodal Agencies, Utilities, Local bodies, PSUs and reputed Non-Governmental Organizations (NGOs). These entities would directly implement the scheme and access capital subsidy (non credit linked) from MNRE.

4.3 The various channel partners who can participate in this Scheme have been described above and a transparent methodology for accrediting these entities by MNRE would be put in place. The parameters for accrediting an entity could comprise of:

- a) Net worth / turnover of the participating entity
- b) Technical capability for carrying out services which would, inter alia, include site selection, feasibility study, design, value engineering, cost optimization, time scheduling, procurement, installation/commissioning and O&M functions
- c) Credit rating, if any
- d) Track record
- e) Tie-ups with equipment providers.

4.4 The accreditation process would categorize the various entities into grades which would determine the quantum of work in terms of financial limits that they could undertake under the Scheme. This accreditation process would also enable inclusion of start ups with the requisite technical and installation skills. There would be a provision for up gradation and down gradation commensurate with their performance in implementing projects under

this Scheme. Reputed rating agencies would be involved by the Ministry.

- 4.5 An opportunity would be provided for young entrepreneurs to participate as channel partners in order to tap their creative potential as innovators. Separate templates on eligibility of different channel partners would be evolved.

### 5. Funding Pattern.

- 5.1 Funding under the scheme would be in Project mode, i.e. there must be a project report which would, inter alia, include client details, technical & financial details, O&M and monitoring arrangements. The total project cost shall be funded through a mix of debt and incentives where the promoters' equity contribution would be at least 20% (unless otherwise specified). Techno-economic specifications for a minimum cut-off level for the requirement of the project mode would be specified by MNRE.

- 5.2 MNRE would provide financial support through a combination of 30 % subsidy and/or 5% interest bearing loans . The bench mark project cost for 2010-11 have been worked out for these systems and the CFA of 30% thereof has been defined in the boundary conditions detailed in Annexure 1A and 1 B.

- 5.3 For the year 2010-11, the benchmark price for photovoltaic systems with battery back-up support is considered as Rs.300/- per Wp. In case of the systems, which do not use storage battery such as water pumping systems, the installed PV system cost is considered as a maximum of Rs.210 per Wp.

- 5.4 Capital subsidy of 90% of the benchmark cost , would be available for special category states, viz. NE, Sikkim, J&K, Himachal Pradesh and Uttarakhand . In addition, it would be extended for setting up only stand alone rural solar power plants / packs (both PV and thermal) in remote and difficult areas such as Lakshadweep, Andaman & Nicobar Islands, and districts on India's international borders. However, for funding solar thermal systems in these areas, the subsidy would be limited to 60% for all categories of beneficiaries. The subsidy pattern detailed above can be accessed by only Central and State Government

Ministries, Departments and their organizations, State Nodal Agencies and Local bodies.

- 5.5 There would be a provision for channel partners, operating in the market mode to access a combination of capital subsidy and a low cost interest for the end consumer, provided they can tie up with a lending institution. These lending institutions could then enter into an agreement for refinance / interest subvention with IREDA. MNRE would provide IREDA fund handling charges at the rate of 2% for the capital subsidy/interest subvention portion.

- 5.6 Funds received by IREDA from MNRE without cost would be made available by way of refinance to the primary lending institutions at a rate of interest not exceeding two per cent per annum, subject to the condition that the rate of interest charged by the lending institution to the borrower in respect of the loan does not exceed five per cent per annum.

- 5.7 The Interest Subsidy under the Scheme would be made available to Non-Banking Financial Companies (NBFCs) and Scheduled Commercial Banks (excluding Regional Rural Banks) by way of refinance from IREDA.

- 5.8 IREDA would also make available funds received from MNRE under this Scheme, to NABARD, NHB, SIDBI and any other institution as may be specified by the MNRE in this behalf, for providing refinance on the same terms, to Regional Rural Banks, Housing Finance Companies, or any other primary lending institutions included by them, in their respective refinance schemes. MNRE would provide a service charge of 0.5% to IREDA for this.

- 5.9 MNRE would also fund IREDA for meeting the expenditure towards development of software and hardware, based on an estimate provided by IREDA, for implementing and monitoring the scheme effectively. IREDA would present an audited annual statement of accounts.

- 5.10 3% of CFA would be admissible as service charges to programme administrators. For projects which involve civil society organizations and are aimed at the poor strata of society, eg. projects for deploying solar lanterns / home-lighting systems with small wattage and solar cookers etc, upto 10% of the CFA would be admissible as

institutional charges. These would be provided by MNRE, in addition to the CFA .

- 5.11 The CFA from MNRE would not preclude the channel partners from availing other fiscal and financial benefits being provided by State, Central Governments and any other agency so long as the same is clearly disclosed in the project report. This is to avoid multiple financing.

## 6. Bouquet of Incentive Instruments:

- 6.1 In the interest of sustaining of satisfactory performance and generation of output in the envisaged energy forms a flexible funding approach can be considered from the following bouquet of instruments:

### a) RE Voucher/Stamp

A Transaction-cost free redeemable financial instrument, denominated in physical or monetary units. Placed in the hands of ultimate beneficiary it empowers him by giving him enhanced degree of freedom to choose. Hence, it can be used as an effective instrument to gauge and enhance consumer satisfaction at the retail level.

### b) Capital Subsidy (Credit Linked and non credit linked)

An instrument which lightens the burden of financing the initial project cost to enable financial closure of viable business proposition.

### c) Interest Subsidy

An instrument aimed at neutralizing the high cost of capital given after due diligence of credit appraisal by FIs, NBFC, Micro finance institutions.

### d) Viability Gap Funding

Financial support provided mostly in the form of initial grant in one or more instalments to finance the project cost so as to create a viable business model. PPP Scheme of Ministry of Finance has this arrangement for physical infrastructure projects. It is supplemented by similar arrangement at the state level.

### e) Green Energy Bonds

A form of low interest bearing long-term redeemable security, which could be issued by IREDA / MNRE for Renewable Energy Projects. Analogy: Infrastructure Bond/Gold Bonds.

- 6.2 These would adhere to the boundary conditions specified and would be available individually or in combination, (to the borrowers, in case of credit-linked subsidy) through all channel partners, in addition to any fiscal benefits available to the sector.

## 7. Release of Funds:

- 7.1 The release of funds for the project shall be back ended as reimbursement on completion and verification thereof. However for programme administrators, the release of funds could be front ended, with installments of 70% on sanction and 30% on completion. However, this could be extended to other entities on provision of appropriate sureties.

- 7.2 In respect of credit linked capital subsidy and interest subsidy the scheme would be implemented through IREDA, which will be the designated Nodal agency for disbursement of funds.

- 7.3 MNRE would place 50% of the estimated annual requirement of funds with IREDA upfront at the beginning of the year. The balance 50% would be released as second and final tranche of the annual requirement to IREDA after receipt of Utilisation Certificate, of not less than 50% of the first tranche released to IREDA. While releasing the second tranche, MNRE would take into consideration, revision in initial annual estimate (if any) for appropriate funding. IREDA would present an audited annual statement of accounts.

## 8. Approval Mechanism

The Committee constituted by MNRE, would approve the project within 45 days of receiving the project. Deficiency, if any, would be communicated in writing to the proposer/channel partner within 30 days and the Committee would then, on receipt of clear proposal approve the proposal. The project proposals shall be considered and sanctioned by a Project Approval Committee (PAC). This committee would provide approval as also review progress. The entire process of receiving proposals, processing them and giving approvals would be IT enabled. The committee would also frame rules and prescribe formats etc, for project approval, within the overall framework of this scheme, so as to make the process transparent.



## 9. Project Management Consultant (PMC)

The government would engage a reputed agency as a Project Management Consultant (PMC). This agency would handle all the processes such as assistance for formulation, appraisal and screening of proposals preceding the formal approval which would be a sovereign function of MNRE. It would also assist the Ministry in formulating the detailed implementation guidelines/formats, if any

## 10. Monitoring and Evaluation:

10.1 Information and Communication Technology must form the backbone of monitoring system. Since the scheme envisages IT enabled monitoring and verification protocols, 5% of the total project cost would be available to the various channels partners for compliance. It is proposed that the monitoring is done as under:

- i) At the primary level of monitoring, channel partners would be responsible for monitoring parameters such as end-use verification and KYC compliance and also compilation of statistical information as one time MIS for all credit linked cases.
- ii) As an additional level of monitoring, reputed Civil Society Groups, eminent persons, corporate houses (as an activity under Corporate Social Responsibility), SNAs and MNRE officials would be involved, for ground truthing on random sample basis.
- iii) For projects with applications above 10 kW, the system providers, would also make available generation data to MNRE at intervals specified.

10.2 It is envisaged that certified energy auditors, scheme monitors and others would be empanelled for certifying whether the outputs of the system correspond to the parameters laid down in the in-principle approval for non credit linked projects.

## 11. Technical Requirements

11.1 The scheme would require the project proponents to strictly adhere to the national/international standards specified by the Ministry from time to time.

11.2 The Use of imported complete PV systems will not be permitted under the scheme. However, use of imported components of a complete PV system would be permitted, subject to adequate disclosure and compliance to specified quality norms and standards.

11.3 The minimal technical requirements and Quality Standards in respect of the off-grid SPV power plants/ systems are given in Annexure-3. These will come into effect w.e.f. 1st September 2010 to allow sufficient time to the SPV industry to gear up for the same. Existing guidelines w.r.t. technical requirements/ Quality Standards under the Ministry's SPV programmes will be valid during the interim period.

11.4 The existing National Standards/ MNRE Specifications in respect of Solar Thermal Components/ Systems are given in Annexure-4.

## 12. Supporting Innovation

The Ministry could provide 100% CFA for undertaking pilot and demonstration projects through manufacturers and other organizations for demonstrating new and innovative applications of solar systems.

## 13. Interpretation of the Guidelines

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

## 14. Review

The scheme would be reviewed by an Internal Review Committee at 6 month/yearly interval and modifications therein would be incorporated by the Ministry. In addition, a platform for experts to discuss best practices, debate over issues to overcome bottle necks and provide effective policy suggestions for ensuring wide spread off grid solar solutions deployment would also be established at the national level.

Annexure -1A

BOUNDARY CONDITIONS FOR SUPPORT TO OFF-GRID SOLAR PV APPLICATIONS

1.	<b>Individuals</b>		
A.	All applications except 1B	1 kWp	Capital Subsidy & Interest Subsidy
B.	Pumps for irrigation and community drinking water	5 kWp	
2.	<b>Non-commercial entities</b>		
A.	All applications except 2B	100 kWp per site	Capital Subsidy & Interest Subsidy
B.	Mini-grids for rural electrification	250 kWp per site	
3.	<b>Industrial/Commercial entities</b>		
A.	All applications except 3 B	100 kWp per site	Capital Subsidy & Interest Subsidy
B.	Mini-grids for rural electrification	250 kWp per site	
<b>Scale of Capital Subsidy:</b>			
Based on benchmarking annually.		Rs.90 / Wp	With battery storage
		Rs.70 / Wp	Without battery storage
<b>Scale of Interest Subsidy:</b>			
		Soft loan @5% p.a.	on the amount of project cost
			less promoters' contribution
			less capital subsidy amount

Use of the best/competitive and innovative technologies available globally would be allowed, subject to standards and technical parameters, laid down by MNRE.

To meet unmet demand for electricity or in unelectrified rural areas, standalone rural SPV power plants with battery storage and local distribution network, would be provided Rs.150/Wp of capital subsidy AND soft loan at 5% .

Annexure-1B

BOUNDARY CONDITIONS FOR SUPPORT TO OFF-GRID SOLAR THERMAL APPLICATIONS

S.No.	Solar Collector type	Capital subsidy / Collector area (Rs / sq.m.)
1	Evacuated Tube Collectors (ETCs)	3000
2	Flat Plate Collectors (FPC) with liquid as the working fluid	3300
3	Flat Plate Collectors with air as the working fluid	2400
4	Solar collector system for direct heating applications	3600
5	Concentrator with manual tracking	2100
6	Non-imaging concentrators	3600
7	Concentrator with single axis tracking	5400
8	Concentrator with double axis tracking	6000

1. The capital subsidy/ unit collector area, as given above, is based on 30% of the benchmark costs which would be reviewed annually. Capital subsidy would be computed based on the applicable type of solar collector multiplied by the collector area involved in a given solar thermal application/project.
2. Besides the capital subsidy as proposed above, the pattern of support could include a soft loan at 5%, as under:
  - a) Soft loan @ 5% interest would be available, inter alia, for balance cost which may comprise installation charges, cost of civil work for large systems and costs of accessories (viz. insulating pipeline, electric pump, controllers and valves, additional water tanks, blower for air heating systems, drying trays for solar dryers, steam system, etc.), etc.
  - b) To meet unmet demand for electricity and thermal energy or in un electrified rural areas, Solar thermal power plants and local distribution network, would be provided capital subsidy of 60% AND soft loan at 5% . These could be in either stand alone or co / poly generation mode.

Annexure-2

INCENTIVE FOR PROMOTIONAL ACTIVITIES BY BANKS/FIS FOR EXTENDING LOANS FOR PURCHASE OF SOLAR LIGHTS AND OTHER SMALL SOLAR OFF GRID SYSTEMS

The range of no. of systems to be financed by the banks in a year	3000-8000	8001-16000	16001-30000	Above 30000
Minimum amount of lending to be eligible for seeking incentives				
Minimum lending amount per year for the system	Rs. 3 crores	Rs. 8 crores	Rs.16 crores	Rs. 30 crores
Incentives for various activities				
Capacity building	Rs. 3 lakh	Rs. 4 lakh	Rs. 5 lakh	Rs. 10 lakh
Awareness generation	Rs.15 lakh	Rs. 20 lakh	Rs. 25 lakh	Rs. 40 lakh
Cash prizes for best 3 Branches	Rs. 3 lakh	Rs. 3.5 lakh	Rs.5 lakh	Rs. 10 lakh
One time Incentive to Banks/FIs participating for the first time in the scheme				
Documentation of best practices	Rs. 2 lakh	Rs. 2 lakh	Rs. 3 lakh	Rs. 5 lakh
Preparation of manuals for procedures, software, etc.,	Rs. 2 lakh	Rs. 2 lakh	Rs. 3 lakh	Rs. 5 lakh
Monitoring & Learning	Rs. 2 lakh	Rs. 3 lakh	Rs. 5 lakh	Rs. 10 lakh

In addition to above, cash prize will be given @Rs.1.00 lakh to the village /village panchayat wherein village/villages have a coverage of 75% or more through solar lighting systems by the banks/FI. The Panchayats will be encouraged to utilize this money to purchase solar street lights or other devices for use of the village community. The Prize money could be routed through bank/F.I. to the village/village panchayat.

Annexure-3

MINIMAL TECHNICAL REQUIREMENTS/ STANDARDS FOR  
OFF-GRID/ STAND-ALONE SOLAR PHOTOVOLTAIC (PV) POWER PLANTS/ SYSTEMS  
TO BE DEPLOYED UNDER THE NATIONAL SOLAR MISSION

1. PV MODULES:

1.1 The PV modules must conform to the latest edition of any of the following IEC / equivalent BIS Standards for PV module design qualification and type approval:

Crystalline Silicon Terrestrial PV Modules	IEC 61215/IS14286
Thin Film Terrestrial PV Modules	IEC 61646
Concentrator PV Modules & Assemblies	IEC 62108

1.2 In addition, the modules must conform to IEC 61730 Part 1- requirements for construction & Part 2 - requirements for testing, for safety qualification.

1.3 PV modules to be used in a highly corrosive atmosphere (coastal areas, etc.) must qualify Salt Mist Corrosion Testing as per IEC 61701.

2. BALANCE OF SYSTEM (BoS) ITEMS/ COMPONENTS:

2.1 The BoS items / components of the SPV power plants/ systems deployed under the Mission must conform to the latest edition of IEC/ equivalent BIS Standards as specified below:

Bos item / component	Applicable IEC/ equivalent BIS Standard	
	Standard Description	Standard Number
Power Conditioners/ Inverters*	Efficiency Measurements Environmental Testing	IEC 61683 IEC 60068 2 (6,21,27,30, 75, 78)
Charge controller/ MPPT units*	Design Qualification Environmental Testing	IEC 62093 IEC 60068 2 (6,21,27,30, 75, 78)
Storage Batteries	General Requirements & Methods of Test Tubular Lead Acid	IEC 61427 IS 1651/ IS 13369
Cables	General Test and Measuring Methods PVC insulated cables for working Voltages upto and including 1100 V -Do-, UV resistant for outdoor installation	IEC 60189 IS 694 / IS 1554 IS/IEC 69947

\* Must additionally conform to the relevant national/ international Electrical Safety Standards.

Bos item / component	Applicable IEC/ equivalent BIS Standard	
	Standard Description	Standard Number
Switches/ Circuit Breakers/ Connectors	General Requirements Connectors- safety	IS/IEC 60947 part I, II & III EN 50521
Junction Boxes/ Enclosures	General Requirements	IP 65 IEC 62208
SPV System Design	PV Stand-alone Systems design verification	IEC 62124
Installation Practices	Electrical installations of buildings- Requirements for SPV power supply systems	IEC 60364-7-712

### 3. AUTHORIZED TESTING LABORATORIES/ CENTERS

- 3.1 The PV modules must be tested and approved by one of the IEC authorized test centers. Test certificates can be from any of the NABL/ BIS Accredited Testing / Calibration Laboratories. Qualification test certificate as per IEC standard, issued by the Solar Energy Centre for small capacity modules upto 37Wp capacity will also be valid.
- 3.2 Test certificates for the BoS items/ components can be from any of the NABL/ BIS Accredited Testing- Calibration Laboratories/ MNRE approved test centers. The list of MNRE approved test centers will be reviewed and updated from time to time.

### 4. WARRANTY

- 4.1 The mechanical structures, electrical works including power conditioners/inverters/charge controllers/ maximum power point tracker units/ distribution boards/digital meters/ switchgear/ storage batteries, etc. and overall workmanship of the SPV power plants/ systems must be warranted against any manufacturing/ design/ installation defects for a minimum period of 5 years.
- 4.2 PV modules used in solar power plants/ systems must be warranted for their output peak watt capacity, which should not be less than 90% at the end of 10 years and 80% at the end of 25 years.

### 5. IDENTIFICATION AND TRACEABILITY

- 5.1 Each PV module used in any solar power project must use a RF identification tag (RFID), which must contain the following information. The RFID can be inside or outside the module laminate, but must be able to withstand harsh environmental conditions.
  - (i) Name of the manufacturer of PV Module
  - (ii) Name of the Manufacturer of Solar cells
  - (iii) Month and year of the manufacture (separately for solar cells and module)
  - (iv) Country of origin (separately for solar cells and module)
  - (v) I-V curve for the module
  - (vi) Peak Wattage,  $I_m$ ,  $V_m$  and FF for the module
  - (vii) Unique Serial No and Model No of the module
  - (viii) Date and year of obtaining IEC PV module qualification certificate
  - (ix) Name of the test lab issuing IEC certificate
  - (x) Other relevant information on traceability of solar cells and module as per ISO 9000 series.

## Annexure-4

### PRESENTLY AVAILABLE NATIONAL STANDARDS/ MNRE SPECIFICATIONS ON SOLAR THERMAL COMPONENTS/ SYSTEMS

#### A) Indian Standards

National Standards are brought out by Bureau of Indian Standards. The details of these Standards which contain minimum performance requirements along with test methods are as follows:

1. Solar Flat Plate Collectors
  - a) IS 12933 (Part 1):2003, Solar flat plate collector -Specification, Part 1 - Requirements.
  - b) IS 12933 (Part 2):2003, Solar flat plate collector -Specification, Part 2 -Components.
  - c) IS 12933 (Part 3):2003, Solar flat plate collector -Specification, Part 3 -Measuring instruments.
  - d) IS 12933 (Part 5):2003, Solar flat plate collector -Specification, Part 5 -Test methods.

These Standards does not apply to concentrating & unglazed collectors and built-in-storage water heating systems.

2. Box-Type Solar Cookers
  - a) IS 13429 (Part 1):2000, Solar cooker-Box type - Specification, Part 1 -Requirements.
  - b) IS 13429 (Part 2):2000, Solar cooker- Box type - Specification, Part 2 -Components.
  - c) IS 13429 (Part 3):2000, Solar cooker- Box type - Specification, Part 3 -Test methods.

#### B) MNRE Specifications

(Available on MNRE website [www.mnre.gov.in](http://www.mnre.gov.in))

1. Test Procedure for solar dish cookers
2. Test procedure for Thermosyphon-type domestic solar Hot Water Systems

#### C) Testing Laboratories/ Centers

1. In order to make available quality product in the market, the Ministry works with Bureau of Indian Standards (BIS) and Quality Council of India. Presently, Indian Standards are available for solar flat plate collectors and box-type solar cookers and BIS implements a testing and certification programme which forms the basis of certification of these products by BIS.
2. For domestic size solar water heating systems based on thermosyphon mode of operation, the Ministry has supported development of a test protocol with certain minimum performance requirements. For solar dish cookers, the Ministry has defined minimum specifications and has brought out a test procedure. In addition, the Ministry empanels manufacturers of solar water heating systems based on evacuated tube collectors.
3. There is a network of test centres in the country which is recognized by BIS for carrying out certification testing as per Indian Standards. The details of these test Centres are available are MNRE website and is updated from time to time.
4. The solar thermal devices/ systems must be tested at one of these test centres.





JAWAHARLAL NEHRU NATIONAL  
SOLAR MISSION  
*Building Solar India*

Guidelines for

ROOFTOP AND OTHER SMALL SOLAR POWER PLANTS  
CONNECTED TO DISTRIBUTION NETWORK (BELOW 33 kV)



## 1. About the Programme

In order to give a thrust to rooftop PV and other small solar power plants connected at distribution network at voltage levels below 33 kV envisaged under Phase I of the Jawaharlal Nehru National Solar Mission (JNNSM), the Ministry of New and Renewable Energy (MNRE) proposes to launch a programme on generation based incentives. Hereinafter, the programme shall be referred to as 'Rooftop PV & Small Solar Power Generation Programme' (RPSSGP). The key features of the programme are as under:

- The Project Proponents would be selected as per these guidelines for development of solar power projects to be connected to distribution network at voltage levels below 33 kV.
- The projects should be designed for completion before March 31, 2013.
- The local distribution utility in whose area the plant is located, would sign a Power Purchase Agreement (PPA) with the Project Proponent at a tariff determined by the appropriate State Electricity Regulatory Commission (SERC).

Explanation: Project schemes from States wherein Tariff tenure for duration of 25 years with Tariff structure on levelled basis has been determined by SERCs shall alone be considered to be eligible to participate in this Programme (RPSSGP).

- Generation Based Incentive (GBI) will be payable to the distribution utility for power purchased from solar power project selected under these guidelines, including captive consumption of Solar Power generated (to be measured on AC side of the inverter). The GBI shall be equal to the difference between the tariff determined by the Central Electricity Regulatory Commission (CERC) and the Base Rate, which will be Rs 5.50 per kWh (for Financial year 2010-11), which shall be escalated by 3% every year.

Explanation: Base Rate of Rs 5.50/unit to be considered for the purpose of computation of GBI, shall remain constant over duration of 25 years. Thus, GBI determined for a project (which is the difference of CERC determined tariff and Base Rate) shall remain

constant for entire duration of 25 years.

Base Rate for projects to be commissioned during each subsequent year shall also be modified at escalation factor of 3% p.a. and such escalated Base Rate shall remain constant over duration of 25 years.

- GBI shall be payable to the distribution utility for period of 25 years from the date of commissioning of the project.
- IREDA has been designated as 'Programme Administrator' by the Ministry of New and Renewable Energy for administering the generation based incentive programme for rooftop PV and other small solar power plants.

## 2. Classification of Project Scheme(s) and Eligibility Conditions:

The Projects under these guidelines fall within two broad categories i.e. (a) the projects connected to HT voltage at distribution network (i.e. below 33 kV) (b) the projects connected to LT voltage i.e. 400 volts (3-phase) or 230 volts (1-phase) and. Accordingly, the projects have been divided into following two categories.

### 2.1. Category 1: Projects connected at HT level (below 33 kV) of distribution network

The Projects with proposed installed capacity of minimum 100 kW<sup>1</sup> and upto 2 MW and connected at below 33 kV shall fall within this category. The projects will have to follow appropriate technical connectivity standards in this regard.

### 2.2. Category 2: Projects connected at LT level (400 Volts-3ph or 230 Volts-1ph)

The Projects with proposed installed capacity of less than 100 kW and connected to the grid at LT level (400 Volts for 3-phase or 230 V for 1-phase) shall fall within this category.

### 2.3. Capacity allocation to different project categories

It is proposed to develop solar capacity of 100MW under these guidelines. This capacity addition shall be achieved by developing the projects in the above

<sup>1</sup>Watt (W) referred under this document shall be read as Wp (Watt Peak) for solar PV and We (Watt electric) for solar thermal applications.

mentioned two categories in the following manner.

Sl. No.	Project Category	Capacity Limit
1	Projects connected at HT level of distribution network with installed capacity of 100 kW and upto 2 MW	90 MW
2.	Projects connected at LT level of distribution network with installed capacity lower than 100 kW	10 MW

#### 2.4. Applicability of these guidelines

The issues related to grid integration, metering, measurement and energy accounting for projects to be connected at LT level with installed capacity lower than 100 kW is complex. Detailed guidelines for such Project Schemes will have to be issued once the clarity on such grid integration standard emerges.

As a result, the present Guidelines are applicable to Category 1 projects i.e. with installed capacity of 100 kW and upto 2 MW having grid connectivity at HT level (below 33 kV) of the distribution network.

#### 3. Methodology for Registration and Ranking of Project(s):

##### 3.1. Pre-Registration with the State Competent Authority

3.1.1. The Project Proponent fulfilling the 'Eligibility Criteria' as outlined under Clause - 5 of these Guidelines shall submit Application for Pre-Registration to their respective State Competent Authority at the State level, along with requisite supporting documents to establish fulfillment of Eligibility Conditions. The State Competent Authority shall adopt the standard procedures for Pre-registration of Applicants.

3.1.2. The process of Pre-Registration at State level by Competent Authorities may remain open until Programme Administrator announces the closure of programme after receipt of applications aggregating to 110 MW capacity. The State Competent Authority shall issue

'Certificate of Pre-Registration' to projects aggregating to not more than 20 MW Capacity in their respective states.

2.1.3. Upon pre-registration with the State Competent Authority, the Project Proponent shall enter into MoU with the concerned distribution Utility for sale/deemed sale of power from the proposed project.

2.1.4. The date for commencement of Registration process for initial short listing by Programme Administrator shall be July 15, 2010 which provides sufficient time period to States to undertake preparatory activities at State level such as designation of the State Competent Authority, regulatory process for determination of Tariff for rooftop/small solar generation systems by the concerned SERC, etc.

##### 3.2. Registration with the Programme Administrator (IREDA)

3.2.1. All applications fulfilling four conditions viz. (a) Issuance of relevant Tariff Order from concerned SERC (b) MOU with Utility, (c) Pre-Registration Certificate from State Competent Authority and (d) Commitment Guarantee of requisite amount shall be eligible for registration with the Programme Administrator.

3.2.2. The Project Proponents shall submit applications for registration with Programme Administrator under the 'RPSSGP'. Programme Administrator shall provide format for application. The Application for Registration shall be accompanied by a copy of MOU between the Project Proponent and the local Distribution Utility and Certificate of Pre-Registration issued by the State Competent Authority. The applications from the Project Proponents from any State shall be considered only if the concerned SERC has issued the order determining tariff for rooftop/small solar generating systems for purchase of electricity by the distribution utilities in that State.

3.2.3. The Project Proponent shall also provide the Commitment Guarantee for an amount of Rs 10 Lakh/MW on a pro-rata basis, in the form of an

irrevocable Bank Guarantee from any scheduled commercial bank, valid for period of 24 months for solar PV and 30 months for solar thermal from date of filing application, along with the Application for consideration for registration to the Programme Administrator

3.2.4. In order to facilitate the process of application for registration, it is envisaged that a web based application portal shall be developed by Programme Administrator (details to be made available on the website of the MNRE/ Programme Administrator). Upon fulfillment of requisite conditions for pre-registration, the Applicant shall submit an online application through an electronic form with details of pre-registration certificate, commitment guarantee, MoU with distribution utility, etc. The web portal system would generate unique acknowledgement number for each application confirming submission of application with system generated date and time of submission. The Applicant shall print the acknowledgement and submit the Application in physical form alongwith all necessary enclosures within 7 days from date of submission of online application.

3.2.5. The Initial list of Projects considered for Registration shall be prepared based on projects fulfilling above conditions considering principle of 'first-come-first-served'. This shortlist shall be subject to physical verification of the requisite documents received by Programme Administrator.

3.2.6. The process for Initial Shortlisting of Applications for Registration with Programme Administrator under Category 1 shall be closed upon reaching shortlist of proposed installed capacity of 110 MW for projects on all India basis. The aggregate project capacity in the initial shortlist for a particular State shall be restricted up to 20 MW.

3.2.7. The Initial List (Shortlist-M0) of shortlisted projects shall be updated depending on accomplishment of following milestones by shortlisted Project Proponents:

- Milestone-1: Signing of PPA with the concerned Distribution Utility

- Milestone-2: Project Commissioning

3.2.8. Only those projects, which are shortlisted, shall be considered during subsequent process for Registration. No new projects will be considered even if the project has achieved multiple milestones subsequently. This is being done to provide certainty to the Project Proponents already shortlisted. Upon accomplishment of Milestone-1, a Registration Certificate and letter confirming eligibility to avail GBI for the Project shall be issued by Programme Administrator to Project Proponent not later than one month from intimation by Project Proponent about accomplishment of Milestone-1 (i.e. execution of PPA), to facilitate accomplishment of Financial Closure, subject to the condition that Project Proponent submits Additional Commitment Guarantee for an amount of Rs 40 Lakh/MW on a pro-rata basis, in form of an irrevocable Bank Guarantee from any scheduled commercial bank to be submitted in the form of four BGs of equal value, with validity co-terminus with validity period of BG submitted at the time of Application for registration.

3.2.9. After fulfillment of requisite conditions for registration, the applicant shall submit an online application through a web based portal maintained by the Programme Administrator. The online application shall include details of power purchase agreement with distribution licensee, additional commitment guarantee, etc. The web based portal system would generate a unique project code for each application confirming submission of application for final registration with system generated date and time of submission. The Applicant shall print the project code details and submit the Application in physical form alongwith all necessary enclosures within 7 days from date of submission of online application. The inclusion in the final registration list shall be subject to physical verification of the requisite documents received by Programme Administrator. The issuance of Registration Certificate and letter confirming applicability of GBI for the Project shall be undertaken on a first-come-first-

- served basis until cumulative capacity of projects under Category-1 reaches 90 MW. The Programme Administrator shall ensure that final registration of Projects per State shall normally not exceed 20 MW.
- 3.2.10. The Commitment Guarantee for Projects not selected for inclusion within the 'Registered List' (90 MW) shall be returned after the date of announcement of selected projects, if so desired by the Project Proponent. Projects where Commitment Guarantees are not withdrawn would be considered for continued participation in the Programme, subject to availability of capacity arising due to removal/withdrawal of any project out of 'Registered List'.
- 3.2.11. The Project Proponent shall accomplish Milestone-2 (Project Commissioning) within twelve months in case of Solar PV projects and twenty four months in case of Solar Thermal from date of issuance of Registration Certificate.
- 3.2.12. The project proponents of all registered projects shall submit the quarterly status update about the project progress including achievement of important milestones such as financial closure, placement of order for critical components, site development activities etc. to Programme Administrator. Upon accomplishment of the Milestone-2, the Project Proponent shall intimate the Programme Administrator with supporting documentary evidence for accomplishment of such milestone.
- 3.2.13. In case of delay in accomplishment of Milestone-2 (Project Commissioning) within stipulated time limit of 12 months for solar PV and 24 months for solar thermal from date of registration, 20% of BG (total Commitment Guarantee) shall be invoked by Programme Administrator. Delay in accomplishing Milestone-2 (Project Commissioning) within two months from stipulated time limit, another 20% of BG (total Commitment Guarantee) shall be invoked by Programme Administrator. Further, delay in accomplishing Milestone-2 (Project Commissioning) within four months from stipulated time limit, another 20% of BG (total Commitment Guarantee) shall be invoked by Programme Administrator. Failure to accomplish Milestone-2 (Project Commissioning) within six months beyond stipulated time limit shall disqualify the Project Proponent from further participating in the Programme and the Programme Administrator shall invoke all the BGs (total Commitment Guarantee) of such Project Proponent and as a consequence, the project shall be removed from the list of the registered projects and shall not be eligible for GBI under this scheme.
- Provided that in case of part commissioning of the project (not lower than 100 kW capacity) at the end of 6 months beyond the stipulated period of 12 months for solar PV and 24 months for solar thermal from the date of registration, the partly commissioned capacity shall be considered to be eligible for GBI. The applicable tariff rate for such project and computation of GBI thereof shall be reckoned from the above date.
- 3.2.14. The Programme Administrator shall inform respective State Competent Authority and state distribution utility regarding continued eligibility of GBI for the Project Proponent corresponding to partly commissioned capacity. The un-commissioned part of the project shall however not be eligible for consideration for GBI.
- 3.2.15. Upon elimination of a project from final Registration List, the next Project in the queue of the initial shortlist shall be considered for inclusion in this List provided it meets the state-wise capacity limit of 20 MW. Further, the project should meet all other requirements including PPA, commitment guarantee etc., as outlined in Section 3.2.8 above.

## 4. Roles and Responsibilities of various Entities:

### 4.1. Role of State Government

The programme has been designed taking into account active participation by the State Governments in earlier GBI Programme of MNRE. As a first step, the State Government is required to designate a 'Competent Authority' under this programme, empowered to issue pre-registration certificate required for registering the projects with the Programme Administrator and subsequently reporting progress on implementation of these projects.

### 4.2. Role of Distribution Utility

The distribution utility shall enter into Memorandum of Understanding (MoU-1) with the Project Proponent (as defined in the subsequent paragraph) for purchase of power at rates to be determined by the concerned SERC. The MoU shall clearly specify the rate of purchase of power and tenure of the proposed PPA. Further, the distribution utility shall provide necessary approvals and infrastructure for evacuation of the power generated. The Power Purchase Agreement (PPA) would supersede MoU.

The distribution utility will have to enter into an Memorandum of Understanding (MoU-2) with IREDA for availing GBI. The distribution utility will make payments for the power purchased (including deemed purchase corresponding to captive consumption met from solar generation) directly to the Project Proponent as per the terms and conditions of the Power Purchase Agreement.

The distribution utility shall provide certificate of power purchased (including deemed purchase corresponding to captive consumption met from solar generation) from the Project to the Programme Administrator on a monthly basis. It may be noted that this scheme envisages purchase by the distribution utility of entire energy generated by the solar system. The certificate shall be based on the joint meter reading taken by the Project Proponent and the distribution utility.

### 4.3. Role of Programme Administrator (IREDA)

Under this programme, IREDA would act as a 'Programme Administrator'. IREDA shall enter into Memorandum of Understanding (MoU-2) with concerned state distribution utilities for disbursement of GBI as per conditions outlined for operationalising this programme. IREDA shall be responsible for following

activities under this programme:

1. Registration of the projects seeking GBI.
2. Maintenance of a transparent system of the registered projects based on progress made by them against specified milestone events.
3. Issuance of Certificates confirming GBI
4. Disbursement of GBI to the distribution utilities.

### 4.4. Role of Project Proponent

Project Proponent shall mean developer/owner of the rooftop PV or other small solar generation project who wishes to participate in the 'Rooftop PV & Small Solar Generation Programme' (RPSSGP).

The Project Proponent shall be responsible for the following activities:

1. Apply for pre-registration with their respective State Competent Authority
2. Execute documents such as Memorandum of Understanding (MoU) and Power Purchase Agreement (PPA) with the concerned distribution utility where its solar power generation facility is situated.
3. Apply for registration with the Programme Administrator to participate in the RPSSGP.
4. Intimate the Programme Administrator about the achievement of milestones, along with supporting documents.
5. Comply with all its obligations and reporting requirements as desired by State Competent Authority and Programme Administrator from time to time.
6. Fulfill its financial obligations in terms of payment of processing fees, provisioning of security/bank guarantees, as necessary.
7. Operate the solar power plant as envisaged under PPA
8. Provide appropriate facility/ instrumentation/ metering arrangement to enable remote monitoring of generation

### 5. Eligibility Conditions for Project Proponent:

#### 5.1. Technical Criteria

The project schemes proposing to deploy PV modules and Inverter systems shall be considered to be

technically qualified and eligible for participation in the RPSSGP scheme only if they comply with relevant IEC/BIS standards and/or applicable standards as specified by Central Electricity Authority. For Solar PV Projects to be selected under this scheme, it will be mandatory for Projects based on crystalline silicon technology to use the modules manufactured in India while there will be no mandatory domestic content requirement for Projects based on other technologies. Project Proponent should submit the documentary evidence and undertaking in this regard along with application to the State Competent Authority.

### Metering arrangements

Metering arrangements shall be made by the Project Proponent in consultation with the distribution utility keeping in view guidelines/regulations notified by respective SERC's, if any. Meters shall comply with the requirements of CEA regulation on 'Installation and Operation of meters'.

### 5.2. Financial Criteria

The Project Proponent shall submit the letter of commitment along with Board Resolution for equity investments in the Project calculated on the basis of Rs 4 Crore/MW on a pro-rata basis.

### 5.3. Infrastructure Criteria : Land Requirement

The Project Proponent should have made arrangements for land required for the project as per conditions outlined by respective State Competent Authority.

### 5.4. Infrastructure Criteria : Grid Connectivity Requirement

The plant should be designed for interconnection with the grid at distribution network at the voltage level depending on installed capacity of rooftop PV or small solar system generator

- Less than 100 kW : LT- single/ three phase
- 100 kW and upto 2 MW : HT level (below 33kV) at distribution network

Further, the interconnections should be at the nearest distribution transformer/substation. In this regard, the Project Proponent shall submit a letter from the concerned Distribution Utility confirming technical feasibility of connecting the plant to the distribution transformer/substation.

### 6. Modalities of Disbursement of GBI by Programme Administrator:

#### 6.1. Certification of Generation

For claiming the Generation Based Incentive (GBI), the Distribution Utility shall submit the Certificate of Generation to the Programme Administrator. The basis for claim shall be in accordance with the Guidelines under the RPSSGP. The Certificate of Generation shall pertain to monthly meter readings.

#### 6.2. Processing and Disbursement of Claims for GBI

The claim for GBI by state distribution utility may be submitted on a monthly basis (by 15th of each month) to the Programme Administrator. It shall be accompanied by documentary evidence of having made payment for the electricity generated by the Project for the corresponding month. The Programme Administrator shall disburse the claimed amount to the concerned state distribution utility after preliminary scrutiny, within a period not exceeding 15 days.

All payments made against Monthly Bills shall be subject to quarterly reconciliation (detailed scrutiny) at the beginning of following quarter and the monthly disbursement pertaining to the first month of that quarter shall take the same into account.

#### 6.3. Funding Support to Programme Administrator

To ensure release of timely payment to the state distribution utilities, MNRE would place 50% of the estimated annual requirement of funds with IREDA upfront at the beginning of each financial year. The balance 50% would be released as second tranche of the annual requirement to IREDA within a reasonable period of time, after receipt of Utilisation Certificate, of not less than 50% of the first tranche released to IREDA. While releasing the second tranche, MNRE would take into consideration, revision in initial annual estimate (if any) for appropriate funding. MNRE would also fund IREDA for meeting the expenditure towards development of software and associated hardware costs, based on an estimate provided by IREDA, for implementing and monitoring the scheme effectively. IREDA would present an audited annual statement of accounts.

In the eventuality of delay in receipt of funds from the MNRE, the Programme Administrator shall ensure access to an alternative funding source such as a



standby facility with a commercial bank so that payment of the GBI amount to the DISCOMs is disbursed within the specified timeframes. The mechanism of a standby facility would entail additional costs which would be reimbursed to the Programme Administrator on actuals. This would facilitate timely release of funds by Programme Administrator to Utilities towards their GBI claim.

The Programme Administrator shall be entitled to receive service charges/fund administration charges @ 2% of the funds handled under the programme. The interest earned on surplus funds, if any, shall be credited to the fund account by Programme Administrator.

### 7. Timelines for Programme Management

Commencement of Registration by Programme Administrator	15th July 2010
Announcement of Initial Shortlist	16th August 2010

### 8. Power to remove difficulties

If any difficulty arises in giving effect to any provision of these guidelines or interpretation of the guidelines, the Committee to be constituted by Ministry of New and Renewable Energy shall meet and take decision, which will be binding on all parties.

### 9. Glossary

- (i) CERC or Central Commission shall mean Central Electricity Regulatory Commission;
- (ii) State Competent Authority shall mean a 'Designated Agency' appointed by State Government for pre-registration of the Rooftop PV projects or Small Solar Power Projects at State level to be eligible to participate in this programme.
- (iii) GBI shall mean Generation Based Incentive to be paid by Programme Administrator to local Distribution Utility under this Programme;
- (iv) Local Distribution Utility shall mean distribution licensee within whose area the rooftop PV or Small Solar Power plant is located and

interconnected with distribution network of such distribution licensee.

- (v) MoU-1 shall mean Memorandum of Understanding to be entered into between Project Proponent and local Distribution Utility for sale/purchase of electricity generated from proposed Rooftop PV or Small Solar power project subsequent to pre-registration of the Project with State Competent Authority but prior to Registration of Project with Programme Administrator;
- (vi) MoU-2 shall mean Memorandum of Understanding to be entered into between Programme Administrator and local Distribution Utility for disbursement of GBI under this programme;
- (vii) MNRE shall mean Ministry of New and Renewable Energy, Government of India;
- (viii) PPA shall mean Power Purchase Agreement to be entered into between Project Proponent and local Distribution Utility for sale/purchase of electricity generated from proposed Rooftop PV or Small Solar power project;
- (ix) Project Proponent shall mean developer of the rooftop PV and/or small solar power project, who shall own and operate such solar power generation project and wishes to participate in the Rooftop PV and Small Solar Generation Programme (RPSSGP) in accordance with these Guidelines;
- (x) Programme Administrator shall mean Indian Renewable Energy Development Agency (IREDA) for administration of RPSSGP Programme in accordance with these Guidelines;
- (xi) RPSSGP shall mean Rooftop PV and Small Solar Generation Programme as outlined under these Guidelines;
- (xii) SERC or State Commission shall mean State Electricity Regulatory Commission;

## Technical Requirements : Grid Solar Power Plants

The following are some of the technical measures required to ensure quality of the PV modules and other components used in rooftop and small grid solar power projects.

### 1. PV Module Qualification

1.1 The PV modules used in the grid connected solar power projects must quality to the latest edition of any of the following IEC PV module qualification test or equivalent BIS standards.

Crystalline Silicon Solar Cell Modules	IEC 61215 Edition II
Thin Film Modules	IEC 61646
Concentrator PV modules	IEC 62108

1.2 In addition, PV modules must qualify to IEC 61730 Part I & II, for safety qualification testing. For the PV modules to be used in a highly corrosive atmosphere throughout their lifetime, they must qualify to IEC 61701.

### 2. Qualification of BoS items

2.1 The solar PV power plants set up under the Mission must use PV modules and other balance of systems components, which must qualify to the latest edition of BIS or IEC standards issued in this regard. The project developers must provide a copy of the relevant test reports and certificates to IREDA..

### 3. Authorized Test Centers

3.1 The PV modules must be tested and approved by one of the IEC authorized test centers. In addition a PV module qualification test certificate as per IEC standard, issued by ETDC, Bangalore or Solar Energy Centre will also be valid.

3.2 Ministry will review the list of authorized testing laboratories/centers from time to time.

### 4. Warranty

4.1 The mechanical structures, electrical works including inverters/charge controllers/power conditioning unit/ maximum power point tracker, distribution board/digital meters and overall workmanship of the roof top and small grid solar power plants must be warranted for a minimum of 5 years.

4.2 PV modules used in solar power plants must be warranted for output wattage, which should not be less than 90% at the end of 10 years and 80% at the end of 25 years.

### 5. Identification and Traceability

Each PV module used in any solar power project must use a RF identification tag. The following information must be mentioned in the RFID used on each module. This can be inside or outside the laminate, but must be able to withstand harsh environmental conditions.)

- (i) Name of the manufacturer of PV Module
- (ii) Name of the Manufacturer of Solar cells
- (iii) Month and year of the manufacture (separately for solar cells and module)
- (iv) Country of origin (separately for solar cells and module)
- (v) I-V curve for the module
- (vi) Wattage,  $I_m$ ,  $V_m$  and FF for the module
- (vii) Unique Serial No and Model No of the module
- (viii) Date and year of obtaining IEC PV module qualification certificate
- (ix) Name of the test lab issuing IEC certificate
- (x) Other relevant information on traceability of solar cells and module as per ISO 9000 series.



## ABOUT MNRE

Ministry of New and Renewable Energy (MNRE) is the nodal Ministry of the Government of India at the National level for all matters relating to new and renewable energy such as solar, wind, biomass, small hydro, hydrogen, geothermal, etc. The endeavor of the Ministry is to promote renewable energy technologies and increase the contribution of renewable energy in the total mix in the years to come. The Ministry has created testing centers to ensure quality and standard products in the market. Besides, MNRE has created Center for Wind Energy technology (C-WET), Solar Energy Center (SEC) and national Institute of Renewable Energy (NIRE). In addition, the Ministry is supporting some Center of Excellence in Renewable Energy.

The Ministry has a wide range of programmes on research and development, demonstration, and promotion of renewable energy for rural, urban, commercial and industrial applications as well as for grid-interactive power generation. A three-fold strategy is being followed:

- a) Providing support for research, development and demonstration of technologies;
- b) Facilitating institutional finance through various financial institutions;
- c) Promoting private investment through fiscal incentives, tax holidays, depreciation allowance and remunerative returns for power fed into the grid.

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