

No. 03/88/2015-16/GCRT
Ministry of New and Renewable Energy
Solar Energy Group

Dated: 08.09.2016

Office Memorandum

Subject: Guidelines for smooth implementation of grid connected solar rooftop projects by SNAs/ Discoms

Ministry's scheme for grid connected rooftop solar projects states that the Central Financial Assistance (CFA) would be 30 % of the benchmark cost or actual project cost, whichever is lower, for such projects in residential, social and institutional sectors in General Category States/ UTs and 70% for such projects in Special Category States/ UTs. There is achievement linked incentive scheme for rooftop solar projects in Government and PSU buildings. The present benchmark cost as per notification 03/88/2015-16/GCRT dated 4th March 2016 is Rs. 7.5 Crore per MWp (i.e. Rs. 75 per Watt).

2. In this regard, references have been received by this Ministry regarding difficulties faced by SNAs / Discoms in selection of Channel Partners and limited capacity of selected partners as also regarding allowing developers/ Channel Partners directly without tendering /transparent bidding. As installation of the rooftop solar projects requires aggregation of demand, increase in consumer awareness and coordination with several agencies, participation of large number of project developers/ Channel Partners/ New Entrepreneurs is also essential.

3. It may be noted that the sanction / approval letters of this Ministry (MNRE) have the standard condition of firming up prices / tariff by State/UT agencies (SNA) or Discom through transparent process and that the maximum CFA will be limited to as per provision of the scheme based on the benchmark cost or the cost arrived through transparent process, whichever is less. Channel Partners are being empanelled by MNRE based on accreditation and due diligence by Qualified Rating Agencies regarding the technical and financial strengths of the Channel Partners. However, there is no provision for determining market based cost / tariff under the current process.

4. In order to ensure transparency as well as to infuse required push in the solar rooftop installation, following guidelines are being prescribed:-

- a) Implementing agencies (SNAs/ Discoms/ Municipal Corporations etc.) should undertake transparent competitive bidding based on the capacity sanctioned / approved by MNRE.
- b) For the purpose of transparent bidding, at least 70% of the approved / sanctioned capacity should be provided in the **Tender Category**. However, any Implementing agency may include higher capacities (say 80%/ 90%/ 100%) in the Tender Category
- c) Such competitive bidding/empanelment process may be done on **annual** basis.

- d) In the Tender Category, sub-allocation and other tender conditions should be so framed by the implementing agency that proper incentive to the winning bidder (L1), equity among bidders and fulfilment of the available demand by winning bidders, etc. are ensured. Minimum 20% of the tendered capacity or actual bid capacity of the L1 should be ensured to the winning bidder (L1).
- e) For installation of the rooftop solar projects, aggregation of demand, increase in awareness of consumers and proactive coordination with several agencies are essential. Hence participation of large number of project developers/ Channel Partners/ New Entrepreneurs is required for rapid expansion of rooftop projects. Accordingly, the balance 30% capacity, to be called as **Open Category**, should be kept open for all project developers/ Channel Partners / New Entrepreneurs. Even the successful bidders from the tender category may be allowed to participate.
- f) For such Open Category, the lowest project cost / tariff **discovered** under the competitive bidding in the Tender Category should be applied.
- g) In this Open Category, maximum 5% the total approved/ sanctioned capacity can be given to any project developer / Channel Partner / New Entrepreneur including successful bidders from Tender Category. The allocation of quantity to the project developer / Channel Partner / New Entrepreneur through open category should be done in a transparent manner.
- h) Further, Price Safety Mechanism as per the Manual on Policies and Procedures for purchase of goods should be incorporated in the contract / work order.
- i) States / UTs should develop adequate system of checks and precautions for maintaining accurate records of beneficiary, uploading them on SPIN portal of MNRE and linking beneficiary through the Aadhar based database.
- j) These guidelines will be applicable only on **prospective** basis.



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1. CMDs of All Electricity Distribution Companies (DISCOMs)
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P Estate, New Delhi
3. Principal Secretaries/Secretaries (Energy Departments) of all States/UTs
4. All State/UT Nodal Agencies
5. All Municipal Commissioners
6. CMD, IREDA, 1st Floor, East Court, Indian Habitat Centre, Lodhi Road, New Delhi
7. Director General, Bureau of Indian Standards, Manak Bhawan, 9, Bahadur Shah Zafar Marg, New Delhi
8. Director General, National Institute of Solar Energy, Gwal Pahari, Gurgaon, Haryana

9. M.D, Solar Energy Corporation of India, D-3, A Wing, 1st Floor, Religare Building, District Centre, Saket, New Delhi-110017
10. National Housing Bank and all Nationalized/Private Banks

Copy to:

1. PSO to Secretary, MNRE
2. PS to JS&FA, MNRE
3. JS(SV)/JS(VJ)
4. CA, MNRE/Cash Section
5. Director (NIC) to upload this on the Ministry's website
6. Sanction Folder



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