

Annexure – E

**Methodology for Solar Power Projects**

This methodology is applicable to the solar power projects included in the composite policy for new and renewable (non-conventional energy sources) power projects dated 20th July 2015. The policy prescribes a target of 7500 MW in respect of solar power projects.

1. The minimum capacity for solar power projects shall be 1 MW ( outside solar park). The approval for grid connectivity will be given in accordance with the following guidelines -

- 1.1 It will be necessary for the project developer to submit application for grid connectivity recommendation in the prescribed format to MEDA. The application should include, along with other details, details about the project capacity, project site location, details of nearest MSEDCL/MSETCL sub-station etc.
- 1.2 There will be a preliminary scrutiny of the application by MEDA office, subsequent to which the developer and MSETCL/MSEDCL will be informed for the purpose of technical feasibility report. MSETCL/MSEDCL shall prepare the technical feasibility report and furnish its copy to MEDA.
- 1.3 On receipt of the technical feasibility report, MEDA will verify its conformity with the solar power generation area, and make recommendation to MSETCL/MSEDCL for grid connectivity.
- 1.4 The application for grid connectivity by the project developer will be scrutinised by the Committee for grid connectivity constituted by MSETCL in which thorough consultation will be done.

The decision for the issuance of grid connectivity to the project will be taken by the Committee for grid connectivity constituted by MSETCL. It will be done as per the terms of reference and mechanism laid down for the Committee. Before issuance of grid connectivity, the committee will take review of earlier grid connectivity approvals. After review, if it is found that the progress of the project is not satisfactory, the Committee will first cancel the grid connectivity permission given to such projects. Permission / approval for new grid connectivity shall be given by MSETCL/MSEDCL as per the decision of the Committee and as per their prescribed methodology.

**Commitment fee (Grid connectivity from MSETCL / MSEDCL)**

- 1.5 The project developer will be required to deposit Rs. 1 Lakh per MW in the form of a Demand Draft as commitment fee (refundable) to MSETCL/MSEDCL for timely transmission of power from the project to the substation. The amount shall be paid in the name of Maharashtra State Electricity Transmission Company Ltd. / Maharashtra State Electricity Distribution Company Ltd., as the case may be, in form of a Demand Draft payable at Mumbai.

1.6 After getting grid connectivity permission, the project developer will be required to set up the evacuation arrangement within the time limit given by MSETCL/MSEDCL. The project developer / project holders shall set up evacuation arrangement according to the technical specifications of MSETCL/MSEDCL and as per their approval and supervision. No supervision charges will be taken by MSETCL/MSEDCL for this purpose. MSETCL/MSEDCL shall refund the commitment fee (without interest) to those project developers / project holders who will complete and commission their evacuation arrangement within the given time limit.

1.7 If the evacuation arrangement is not completed or no progress is shown within the given time limit as per the methodology of MSETCL/MSEDCL, then the grid connectivity permission given to the said project will be cancelled and the commitment fee will be forfeited by MSETCL/MSEDCL.

1.8 If the evacuation arrangement for grid connectivity is not getting completed within the given time limit and if there is some progress made in respect of the evacuation arrangement; and there is a request from the project developer, a review will be taken regarding the progress made and then extension of time limit to such projects can be considered. Such a review will be taken by the Committee for grid connectivity and appropriate decision for extension will be taken by it. MSETCL/MSEDCL shall charge fee for such extension. The information about the fees prescribed by MSETCL/MSEDCL for extension of time limit will be put on the website.

1.9 It will be necessary for the project developer to install ABT meter with telecommunication facility inside the pooling station for availability based rate mechanism. Moreover, it will be mandatory to inform SLDC about the electricity generation through real time visibility RTU-DC, V-SAT.

1.10 For establishment of the evacuation arrangement and grid connectivity, the relevant MERC order/regulation will be applicable. MSETCL/MSEDCL will ensure conformity with such order / regulation.

### **Solar Park**

1. Solar Park should include more than one solar power project. The project capacity of the individual solar power project within the solar park must be minimum 250 kW. The aggregate capacity of all the projects in the solar park should be minimum 1 MW and such solar park will be required to have common evacuation arrangement. For instance, if projects of 250 kW capacity are set up in one location aggregating 1 MW and common evacuation arrangement is also done, then such location can be termed Solar Park. Each solar power project under the solar park will be required to be registered with MEDA. The project developer shall furnish the essential documents and the prescribed fee to MEDA for registration of the solar power project.

2. Grid connectivity recommendation for solar park will be issued on submission of the documents as mentioned above at point no 1. Grid connectivity recommendation will be issued by MEDA for the total capacity of the solar park.

3. Registration of Solar Power Projects-

The solar power projects to be set up under this policy will be required to be registered with Maharashtra Energy Development Agency (MEDA). The mode / route for sale of power generated from the solar power project shall be mentioned in the application for registration. After getting grid connectivity permission from MSEDCL/MSETCL, the project developer is required to submit the following attested documents to MEDA.

- a) Grid connectivity consent / permission received from MSETCL/MSEDCL
- b) Documents in respect of land ownership e.g. registered sale deed and 7/12 extract; consent letter from the District Collector, if any.
- c) Detailed Project Report (DPR)
- d) Solvency certificate to the extent of 30% of project cost from any nationalized/scheduled bank
- e) Notarized undertaking/s as prescribed by MEDA
- f) The project developer who wants to develop the project in a solar park will connect the project on the basis of the grid connectivity consent / permission obtained by the solar park developer; and a joint undertaking giving details of grid connectivity consent / permission will have to be furnished to MEDA.

3.1. If the project developer / promoter wants to set up the project on government waste land, it will be necessary to furnish to MEDA a consent letter from the District Collector, to the effect that the government land will be granted for the solar power project upon registration with MEDA.

#### 3.2 Project Registration Fee-

The project developer will be required to furnish registration fee of Rs. 50,000/- per MW in the form a Demand Draft in favour of Maharashtra Energy Development Agency (MEDA); payable at Pune.

#### 3.3 Commitment fee -

The project developer will be required to commission the project in the prescribed period mentioned in the registration letter, that is, within eighteen months from the date of registration with MEDA. For this purpose, the project developer will have to pay Rs. 3 lakh per MW as commitment fee in the form of bank guarantee of any nationalized bank at the time of registration of the project with MEDA.

3.4 After receipt of proposal with necessary documents and the requisite fee for getting project registration from the project developer / project holder for the solar power project, the proposal will be scrutinised by MEDA office.

Accordingly, if all necessary documents are received and the proposal is complete in all respects, the project registration will be issued to the project developer by MEDA office after approval from the Hon. Chairman, MEDA. The validity of registration shall be for eighteen months only.

4. MEDA will release the bank guarantee in respect of the commitment fee, only after receiving the commissioning certificate from MSEDCL/MSETCL to the effect that the said project is commissioned within the period of eighteen months.

4.1 If the project developer / project holder does not commission the project with in the stipulated time and does not take extention then the commitment fee deposited . in form of Bank guarantee will be encashed by MEDA

5. If the project is not commissioned within eighteen months on account of valid and justifiable reasons and the same is intimated by the project developer before the expiry of the

period prescribed for commissioning of the project, then MEDA will examine the matter for giving extension to the project.

6. Extension Fee –

6.1 The extension to the project will be given for a maximum period of 12 months in two stages. For availing the first extension of six months, the developer shall pay Rs. 1 lakh per MW and for the extension of the next six months, the developer shall pay Rs. 2 lakhs per MW to MEDA as extension fee and such extension will be granted by MEDA office. If the project cannot get commissioned as per the extension period of 12 months, the project commitment fee shall be forfeited by MEDA.

6.2 The solar power project registered with MEDA shall be eligible to avail incentives and policy benefits under the composite new and renewable energy policy-2015. This aspect will be incorporated in the registration letter to be issued by MEDA.

7. Public Private Partnership (PPP): The project developers / project holders setting up their projects under PPP mode will be required to register their projects with MEDA. This registration will be done after the execution of project development agreement between MAHAGENCO and project developer / project holder.

8. Competitive Bidding –

The projects getting developed under the competitive bidding process will be required to be registered with MEDA. The registration will be done after the project developer/project holder is selected by the distribution licensee. The competitive bidding procedure should be as per the guidelines issued by the Ministry of New and Renewable Energy and with the approval of MERC.

9. A separate methodology will be issued by MAHAGENCO and by the Water Resources Department, respectively, for the development of solar project under PPP mode and for canal top solar power projects.

10. The projects which are underway but are not commissioned by the date of declaration of this solar policy will be required to be registered with MEDA.

11. The project developers shall fulfil all legal and statutory requirements before and after implementing the solar power project. Further it shall be necessary for them to get approvals, consent and no-objection certificates for the project directly from the respective departments and to abide by the rules and regulations of such departments. The entire responsibility in this context will be that of the project developers. The project developers / project holders will have to submit undertaking / undertakings, as prescribed by MEDA, to this effect. MEDA will accord cooperation to the project developers / project holders in this context.

12. The solar power projects will be eligible to execute power purchase agreement or to seek open access approval or to sell energy through Renewable Energy Certificates only upon obtaining project registration from MEDA. The project registration will be granted upto the limit of the target of 7500 MW prescribed under this policy.

13. The project developer shall submit a copy of the power purchase agreement / open access approval of MSETCL/MSEDCL to MEDA office soon after it is executed / obtained by them.

14. Other fees / charges -

The project developers / project holders shall submit separate applications to MEDA in respect of any matter other than project registration, for example, change in project name / ownership, etc. MEDA will process such applications. The processing fee of Rs. 25,000/- per project shall be deposited with MEDA, in the form of a Demand Draft.

15. Commissioning of Projects -

The project developers / project holders shall submit the project commissioning certificate of the respective distribution licensee to MEDA. A note will be taken in MEDA office records of the commissioning of the project.

16. It shall be necessary for the project developers/project holders to submit yearly (financial year-wise) electricity generation report, duly certified by SLDC, to MEDA.

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