

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:5802

ANSWERED ON:30.04.2010

SOLAR POWER PLANT

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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether the Government provides concessions to private players for the setting up of solar photovoltaic power plants in the country;
- (b) if so, the details thereof;
- (c) whether concessions are given for buying power from these projects; as well;
- (d) if so, the details thereof alongwith the details of guidelines for signing the Power Purchase Agreement (PPAs); by these projects;
- (e) whether any PPAs have so far been signed; and
- (f) if so, the details thereof ?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a),(b),(c),(d),(e)&(f): Government has been implementing a demonstration programme to encourage setting up of grid connected solar photovoltaic (PV) power plants in the country on build, own and operate basis. Under the demonstration programme 8 project developers have signed PPAs with the concerned state utilities to set up 24 MWp capacity solar photovoltaic power plants, which are eligible to receive generation based incentive (GBI) for the power fed to the grid. Ministry will provide the GBI for a period of ten years, if the utility continues to purchase power from the project developer. The GBI is calculated as a difference of a notional amount of Rs. 15 per kWh minus the tariff announced by the appropriate Electricity Regulatory Commission for such PV power project. The project developers have signed the Power Purchase Agreement (PPA) for these projects as per the terms and conditions of the PPA of the concerned State utility.

Government has recently launched the Jawaharlal Nehru National Solar Mission to develop solar energy technologies to make solar power competitive to conventional grid power by 2022. The Mission will be implemented in three phases. Government has approved the target to set up 1,100 MW grid connected solar plants, including 100 MW capacity plants as rooftop and small solar plants for the first phase of the Mission till March, 2013. NTPC Vidyut Vyapar Nigam (NVVN), the trading subsidiary of NTPC, is the nodal agency for purchase of 1,000 MW capacity of grid solar power (connected to 33 KV and above grid) from the project developers at a tariff fixed by Central Electricity Regulatory Commission (CERC) for purchase of solar power. NVVN will sign a PPA with each project developer for a period of 25 years as fixed by CERC. NVVN has brought out draft guidelines for the scheme and the PPA, which have been discussed with the project developers and other stakeholders, but not finalized as yet. 100 MW capacity roof top and small grid connected solar power plants, which are connected to LT/11 KV grid, will also be supported in the first phase of the Mission. The appropriate State Electricity Regulatory Commission will fix tariff for purchase of solar power from such solar power plants and the Ministry will provide a generation based Incentive for power fed to the grid. The quantum of the GBI will be the difference of the tariff announced by the Central Electricity Regulatory Commission and the notional tariff of Rs. 5.5 per kWh. The project developer will sign a PPA with the concerned State utility. The draft guidelines for the scheme have been discussed with the project developers and other stakeholders, but not finalized as yet.

Under the Mission, as yet no PPA has been signed for any solar power project.