

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1635
ANSWERED ON:21.07.2014
SOLAR POWER PROJECT OF BHEL
Ram Mohan Naidu Shri Kinjarapu

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Bharat Heavy Electricals Limited (BHEL) has signed a Memorandum of Understanding (MoU) for setting up of an ultra mega Solar Power Project recently;
- (b) if so, the details thereof along with the salient features of the said MoU;
- (c) the details of equipment likely to be supplied by BHEL for the said project; and
- (d) the time by which the said project is likely to be completed?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PON. RADHAKRISHNAN)

(a): Yes, Madam.

(b): Bharat Heavy Electricals Limited (BHEL), Solar Energy Corporation of India (SECI), Sambhar Salts Limited (SSL), Power Grid Corporation of India Limited (POWERGRID), Sutej Jal Vidyut Nigam Limited (SJVNL) and Rajasthan Electronics and Instruments Limited (REIL) have signed a Memorandum of Understanding (MoU) on 29th January 2014 for formation of a Joint Venture Company (JVC) for setting up of a Ultra Mega Solar Power Project (UMSPP) with a cumulative capacity of 4,000 MW in phases at Sambhar in Rajasthan on build, own and operate basis. The planned first phase implementation of the UMSPP at Sambhar is of 1,000 MW, and the balance 3,000 MW in subsequent phases. This is an initiative of Ministry of Heavy Industries and Public Industries (HI&PE), Ministry of New & Renewable Energy (MNRE) and Ministry of Power (MoP).

The main salient features of the MoU are as follows:

The proposed equity participation in the JVC is: BHEL - 26%, SECI - 23%, SSL - 16%, POWERGRID - 16%, SJVNL - 16%, and REIL - 3%.

The JVC will be incorporated in Delhi / National Capital Region (NCR) after finalization of Definitive documents.

The JVC will be under the supervision of Ministry of HI&PE.

The JVC shall arrange the entire debt requirement for implementation of various projects.

The JVC shall apply for connectivity, long term/ medium term/ short term open access as per relevant regulations for evacuation and transfer of power.

The JVC shall create and construct the requisite infrastructure for implementation of the Project.

BHEL will supply the photo-voltaic (PV) modules for the first phase (i.e. 1,000 MW) and will also have the right of first refusal for cells and modules for subsequent phases (i.e. 3,000 MW) of the project at Sambhar and other projects, SECI will sign the power purchase agreement (PPA), SSL will provide the land with all clearances, POWERGRID will evacuate power, SJVNL will assist in Project management, and REIL will do the operation & maintenance (O&M).

(c): All modules required during the Phase-I implementation (i.e. 1,000 MW) of the project at Sambhar will be for supply by BHEL on nomination basis subject to the manufacturing capacity of BHEL at that point of time. Besides, BHEL will also have the right of first refusal for supply of solar PV cells and modules during the subsequent phases (i.e. 3,000 MW) of the project, and other projects developed by the JVC.

(d): 7 to 8 years from the date of all the approvals & clearances.