



ABSTRACT

Energy Department – Announcement made by Hon'ble Minister (E, P&E) for the year 2018-2019 - Implementation of Solar Energy Producing Farmers Programme (under the Component – 'C' of KUSUM Scheme) –Financial sanction – Approval - Orders – Issued.

ENERGY (E1) DEPARTMENT

G.O.(Ms)No.39

Dated 18.08.2020

திருவள்ளூர் ஆண்டு 2051

சார்வரி, ஆவணி 2

Read:-

1. G.O.(D)No.39, Energy (E1) Department, Dated 21.08.2019
2. G.O.(Ms) No.69, Energy (E1)Department, Dated 01.10.2019.
3. From the Managing Director, Tamil Nadu Energy Development Agency Letter No. 001790/Solar Energy Producing Farmers/2018, dated 13. 01.2020, 11.6.2020 and 17.7.2020.

ORDER:

The Hon'ble Minister (E, P&E) has made the following announcements on the floor of Assembly on 31.05.2018 for the year 2018-2019.

"To carry economic benefits of energy generation to the farmers, enhance their incomes and promote energy efficiency. TEDA will encourage and facilitate generation of solar power by the farmers in their own land for self-consumption and commercial sale to TANGEDCO and other buyers".

2) In the Government order first read above, the Government have issued administrative sanction to the Tamil Nadu Energy Development Agency (TEDA) for implementation of Solar Energy Producing Farmers in accordance with the Hon'ble Minister's announcement of 2018-19.

3) The scheme was proposed to be dovetailed with Component – 'C' of the PM-KUSUM scheme and the grants of 30% each from the Ministry of New and Renewable Energy (MNRE) and the Government of Tamil Nadu (GoTN) as envisaged under PM-KUSUM scheme are proposed to be utilized for the scheme and the remaining 40% will be provided by the Farmer. The MNRE vide office Memorandum F.No.32/645/2017-SPV division dated 22.07.2019 released the operational guidelines for implementation of KUSUM, scheme for the farmers with the following three components.

- Component-A: Setting up of 10,000 MW of Decentralized Ground Mounted Grid Connected Renewable Power Plants of individual plant size up to 2MW.
- Component-B: Installation of 17.50 Lakh Stand-alone Solar Agriculture Pumps; and
- Component-C: Solarization of 10 Lakh Grid Connected Agriculture Pumps.

4) In the G.O 2nd read above, the Government have designated TEDA as the implementing Agency for implementing Component – 'C' of the PM-KUSUM scheme across the State of Tamil Nadu in accordance with the provisions of the MNRE's KUSUM operational guidelines.

5) The Managing Director, Tamil Nadu Energy Development Agency has reported as follows:

(i) The Ministry of New and Renewable Energy, MNRE F.No.32/54/2018-SPV Division dated 13.08.2019 has conveyed and communicated State wise allocation under KUSUM Scheme. Wherein, it was mentioned that the allocation is tentative and subject to confirmation of availability of State subsidy share of minimum 30% of quantity allocated under Component – B & Component – C, as per the scheme guidelines and requested to indicate revised demand if any by the State and also stated that the final sanction would be issued by the Ministry after getting revised demand along with confirmation of State subsidy share of 30% from participating States / UTs under the scheme.

(ii) The initial allocation for Tamil Nadu is as follows: -

Sl.No.	MNRE allocation of capacities		
	Component – A Small RE plants (MW)	Component – B Standalone Solar Pumps (Nos)	Component – C Solarisation of grid connected pumps (Nos)
1	75	25000	12500

(iii) In connection to this, the High Level meeting on Solar Pumps was held on 05.09.2019 and after due deliberations, it was decided that more number of pumps shall be availed by the State under Component -'C', solarisation of Grid connected pumps, as this will reduce the burden of free power subsidy being given by the TANGEDCO to the existing connections.

(iv) Accordingly, the Principal Secretary to Government, Agricultural Production Commissioner vide letter no. 21302/AE1/2019-4 dated.23.09.2019 has requested MNRE to allocate the revised demand for the Component-B and Component – C for implementing KUSUM Scheme across Tamil Nadu and also

stated that the Component-'B' viz., 'Standalone Solar pumps' will be implemented by the Agricultural Engineering Department (AED) of the State and the Component 'C' viz., "Solarisation of Grid connected pumps" will be implemented by the Tamil Nadu Energy development Agency (TEDA) The details of revised demand are as follows:-

	Description	Allocation given to the State (Nos)	Revised Demand (Nos)
Component-B	Stand alone Solar Pumps	25,000	17,500
Component-C	Solarisation of Grid connected pumps	12,500	20,000
	Total	37,500	37,500

(v) The Ministry of New and Renewable Energy in its letter No.32/54/2018-SPV Division dated.03.10.2019 has accorded the sanction for Solarisation of 20,000 nos. of grid connected agricultural pumps to Tamil Nadu Energy Development Agency (TEDA), the State Implementing Agency under Component-C of PM-KUSUM Scheme. The project timeline will be 12 months from the date of sanction by the MNRE.

6) The Managing Director, Tamil Nadu Energy Development Agency has also informed that the Formation of Company by TEDA and approval for the financial sanction on the State Subsidy share @ 30% of capital cost as envisaged in G.O(D)No.39 dated.21.08.2019 (Administrative sanction) in support of implementation of Solar Energy Producing Farmers under the Component - 'C' of PM-KUSUM scheme is absolutely necessary for the successful implementation of the scheme. The following points are to be highlighted :

- (a) Solar Energy Producing Farmers scheme shall entail distributed installed capacity of 220 MW by October 2020 at an estimated cost of Rs.1056 Crore. The financial commitment is @ 30% each from the Government of India (GoI) and Government of Tamil Nadu (GoTN) as subsidy share of the capital cost (i.e. Rs.316.80 Crore approximately calculated as per the benchmark cost of the MNRE 2019-20).
- (b) The entire system comprising of Solar Panels, Inverter and other associated components are to be installed & maintained at the Farmers location by TEDA. The Solar Power Plants thus installed will be owned by TEDA and becomes the Asset of TEDA for a life period of 25 years.

- (c) TEDA has already filed a petition before TNERC for the in-principle approval of the Scheme and for Tariff Fixation vide M.P.No. 2 of 2020.

7) The Managing Director, Tamil Nadu Energy Development Agency has informed that TEDA approached Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) for raising loan @ 40% of the capital cost on behalf of farmer's contribution for implementing the scheme across the State of Tamil Nadu and that several discussions were held between Tamil Nadu Energy Development Agency. After due deliberations, the Managing Director, Tamil Nadu Energy Development Agency requested Order of the Government on the following:-

- a) To permit TEDA to form the Special Purpose Vehicle or a new company, which can be used for other similar projects also in future,
- (b) To approve and allocate the financial sanction amounting to Rs.316.80 Crore as envisaged in the Administrative sanction already accorded vide G.O (D)No.39, Energy (E1)Department dt.21-08-2019 towards the State subsidy of 30%,.
- (c) To Permit TEDA for raising Capital from Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) for arranging the 40% Project cost on behalf of Farmer's contribution over and above the 30% Subsidy to be provided by the Gol and the 30% Subsidy by GoTN for the purpose of the implementation of KUSUM scheme,
- (d) TEDA agrees with TANGEDCO's proposed maximum/benchmark tariff of Rs.3.08 per unit for the gross power generated by the proposed solar PV power plant erected under this scheme.
- (e) TEDA agrees with TANGEDCO's proposed farmer's incentive rate of Rs.1/- per unit to the farmers for the net energy exported to the grid. The farmers incentive is to be paid by TEDA or TANGEDCO, for which implementation details including operating procedures and payment schedules may be worked between TEDA and TANGEDCO before signing the Power Purchase Agreement (PPA).

8) The Government after careful examination accept the proposal of the Managing Director, Tamil Nadu Energy Development Agency and issue orders on the following for implementation of the Solar Energy Producing Farmers programme (under the Component – 'C' of KUSUM scheme):

- (a) Permit the Tamil Nadu Energy Development Agency to form a Special Purpose Vehicle or a new company, which can be used for other similar projects also in future.

- (b) Accord sanction for a sum of Rs.316.80 Crore (Rupees Three hundred and sixteen crore and eighty lakh only) as per the terms envisaged in the Administrative sanction issued vide G.O (D)No.39, Energy (E1)Department, dt.21-08-2019 towards the State subsidy of 30%. Further the Government also issue a financial sanction for a sum of Rs.100.00 Crore (Rupees One hundred crore only) in the first instance during the current financial year 2020-2021.
- (c) To permit the Tamil Nadu Energy Development Agency to raise Capital from Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC) for arranging the 40% Project cost on behalf of Farmer's contribution over and above the 30% Subsidy to be provided by the Gol and the 30% Subsidy by GoTN for the purpose of the implementation of KUSUM scheme,
- (d) Upon determination of maximum bench mark tariff for the gross power generated under this scheme by the TNERC and the proposed farmer's incentive for the net energy exported to the grid, the implementation details including operating procedures and payment schedules may be worked between TEDA and TANGEDCO before signing the Power Purchase Agreement (PPA).

9) The amount sanctioned in para 8(b) above shall be debited in the following new head of account opened under D.No.14-04:-

2810 - New and RENEWABLE ENERGY 02 Solar
800 - Other Expenditure State's Expenditure.

AB Solar Energy Produced by Farmers under KUSUM
Scheme - 309 Grants in Aid - 03 grants for specific schemes.

(IFHRMS DPC 2810 02 800 AB 30903)
(Old DPC 2810-02-800 AB 0935)

10) The Principal Secretary to Government(FAC), Energy Department, Chennai-9 is the Estimating Reconciling and Controlling Authority for the above said new head of account. The PAO / Treasury Officers concerned is directed to open above new head of accounts in their accounts.

11) The expenditure sanctioned in para 8 above shall constitutes an item of "New Service" and the approval of Legislature will be obtained in due course. Pending approval of the legislature, the expenditure may be initially met by drawal of an advance from the Contingency Fund. The Section Officer, Energy (Bills)Department, Chennai-9 is directed to calculate the actual amount required for the period upto next Supplementary Estimates and apply for sanction of same as advance from Contingency Fund to Finance (BG-I) Department

directly in Form "A" appended to Tamil Nadu Contingency Fund Rules, 1963, along with a copy of this order. Orders for sanction of advance from Contingency Fund will be issued from Finance (BG-I) Department. Further, he is also directed to send necessary draft explanatory notes for the inclusion of the above expenditure in the Supplementary Estimates for the year 2020-2021 to the Finance (BG-I) Department at the appropriate time without fail.

12 This orders issues with the concurrence of the Finance Department vide it's U.O.No.09/DS(SA)/Fin(PW-II)/2020, Dated 18.08.2020 and A.S.L.No.366 (Three hundred and sixty six)

(BY ORDER OF THE GOVERNOR)

S.K.Prabakar,
Principal Secretary to Government(FAC).

To

The Managing Director,
Tamil Nadu Energy Development Agency, Chennai-6.
The Chairman and Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited, Chennai-2.
The Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC),
No.19, TP Scheme Road, (Raja Street Extension),
RA Puram, Chennai-600 028.

Copy to:

The Ministry of New and Renewable Energy, Government of India,
Block No.14, CGO Complex, Lodhi Road, New Delhi.
O/o. the Chief Minister, Secretariat, Chennai-9
The Senior PA to the Hon'ble Deputy Chief Minister, Secretariat, Chennai-9.
The Senior PA to the Hon'ble Minister (Electricity, Prohibition and Excise),
Secretariat, Chennai-9.
The Finance(BG-I&BG-II/PW.II/W&M-1)Department,
Secretariat, Chennai-9
The Sr. PPS to Principal Secretary to Government(FAC), Energy Department,
Secretariat, Chennai-9.
The National Informatics Centre, Secretariat, Chennai-9.
SF/SC

//Forwarded/By Order//

J. Srinivas
18.8.2020
Section Officer