

**BEFORE**  
**THE MINISTRY OF NEW AND RENEWABLE ENERGY, GOVERNMENT OF INDIA**  
**Block-14, CGO Complex, Lodhi Road, New Delhi**

**In the matter of**

**Comments/Suggestions/Views on draft Guidelines for development of Distributed Solar Power Plants (DSPP)**

**Submission by Consumer Unity and Trust Society, Jaipur (CUTS International)**

Vide O.M. dated 26 September 2019 F. No. 32/24/2019-SPV Division, Ministry of New and Renewable Energy has invited comments/suggestions/views on draft Guidelines for Development of Distributed Solar Power Plants (DSPP). In response to that, CUTS International would like to make the following submission. We request the Ministry to accept the submission and allow us to make follow up submissions in this matter, if any.

We welcome the Ministry's effort of promoting decentralised use of solar energy and availability of affordable and reliable solar power in the rural areas through the proposed guidelines. The proposed framework does not only support affordable and reliable daytime electricity for farmers, but it is also expected to improve financial health of DISCOMs and performance of the electricity sector by reducing the subsidy requirement for agriculture consumers. We believe that with the ongoing three critical developments, first, low cost electricity from solar photovoltaics, second, states increasing their solar procurement to meet national mandate through Renewable Purchase Obligation (RPO) and extension of electricity grid to almost all the households in country, the scheme is optimally timed for future success. We are delighted to submit following inputs in prescribed format for consideration.

<b>S. No.</b>	<b>Para/Sub-Para</b>	<b>Comments/ Views/ Suggestions</b>
<b>1.</b>	<b>Section I: Background</b> <b>Para IV</b> There are around 40,000 numbers of 33/11 kV Sub-Stations in the rural areas. Even if only 1 MW solar power is connected to each of these sub-station, a capacity of 40 GW solar would be added that will save around 26 BU annually against T&D losses, which is worth Rs. 9000 crore to DISCOMs. In addition there are 66/11 kV and 110/11 kV substations which can also act as anchor points for connecting small solar power generating plants.	Attracting investors in rural far flung areas would be a big challenge. This is additionally exacerbated by poor state of infrastructure and local support in such areas. The scheme might include special incentives under an Universal Supply Obligation principle to the developers opting for such challenging areas.

2.	<p><b>Section IV: Implementation Arrangements Para I</b></p> <p>“The Distribution companies (DISCOMs) will notify substation wise solar power capacity which can be injected in a particular rural distribution sub-station. Such capacities may be worked out on the basis of average energy/load requirement during day time. The DISCOM may decide the capacity of the solar plant permitted to be set up for connection to the grid, and the radius within which the same should be situated, for connection to specific substations.”</p>	<p>DISCOMs are already struggling with meeting RPO targets and absorption of renewable power. The proposed assessment of required capacity might get impacted by individual business interests of distribution companies. Therefore it is suggested that the assessment of capacity and technical requirements needs to be undertaken by a third party expert to make it objective in nature.</p>
3.	<p><b>Section IV: Implementation Arrangements Para I</b></p> <p>“The solar power projects may be installed on any land, including agricultural lands by any individual/ cooperative/ company.”</p>	<p>It is commendable that cooperatives and individuals are being encouraged to develop such plants. However priority should be on providing linkages with Medium and Small Industries (MSMEs) in rural and semi-urban areas which have suffered due to non-availability of quality power. They may support generation and help in buying surplus as and when available. Enough flexibility should be provided for participation of early stage start-ups by easing various approval processes in the spirit of Ease of Doing Business norms being promoted by GOI.</p>
4.	<p><b>Section IV: Implementation Arrangements Para III</b></p> <p>The DISCOM shall provide connectivity at the sub-station and shall ensure “must-run” status to the solar plants by keeping the feeders ‘ON’ during sunshine hours of a day.</p>	<p>It would be challenging to manage solar power which is highly variable and unpredictable. In addition, during days of low insolation, the Capacity Utilization Factor (CUF) for the plants would be extremely low. Backup supply needs to be ensured through enough contractual flexibility in the system. Apart from providing “must-run” status to solar plants, “must-provide” status for agricultural consumers should also be ensured.</p>
5.	<p><b>Section IV: Implementation Arrangements Para IV</b></p> <p>The DISCOM may charge fee from the developer for the created infrastructure, or alternatively may get benefit from lower quoted tariffs.</p>	<p>The State Regulatory Commissions should regulate the charges imposed by DISCOM on developers and an objective methodology should be developed for the same.</p>
6.	<p><b>Section IV: Implementation Arrangements</b></p>	<p>The committee should have sufficient</p>

	<p><b>Para IV</b> To resolve any issues arising during selection of solar power plants and implementation, a Committee under the chairmanship of MD, DISCOM (or an officer nominated for this purpose) will be setup.</p>	<p>representation of independent members.</p>
7.	<p><b>Section V</b> <b>Para d: Power Purchase Agreement (PPA)</b> Within two months of the date of issue of Letter of Award (LoA) by DISCOM or any agency authorized by the DISCOM, the Power Purchase Agreement (PPA) will have to be executed by SPG. The PPA shall be for a period of 25 years from the date of COD.</p>	<p>There have been various cases where state owned discoms have been renegeing already signed PPAs with renewable power generators. Enough safeguards should be put in place to avoid such eventualities.</p>
8.	<p><b>Section VI: Roles and responsibilities of stakeholders</b> <b>Para VII: Performance Monitoring</b> All solar power plants shall comply with the Grid Regulations. They must install necessary equipment to continuously measure performance of the plant. They will be required to submit all vital data of the plant to DISCOM through on-line platform for the entire duration of PPA.</p>	<p>Complete feeder segregation should be achieved for universal coverage of the scheme. Grid upgradation and modernisation, at substation and feeder level should also be undertaken; as it is an imperative for managing highly unpredictable and variable solar power.</p>