

MNRE's Solar Canal Scheme

The government has sanctioned the implementation of pilot-cum-demonstration project for development of grid-connected solar PV plants on canal banks and canal tops in India with an estimated cost of Rs.975 crores and with Central Financial Assistance of Rs.228 crores

The Scheme Objective

The objective of this scheme is to achieve gainful utilization of the unutilized area on top of Canals and also the vacant Government land along the banks of Canals wherever available, for setting up solar PV power generation plants for feeding the generated power to Grid and to set up a total capacity of 100 MW solar PV power projects to achieve targets set under National Solar Mission (NSM).

Implementation Arrangements:

- **Applicability:** All the State and Union Territories having canal network will be eligible for benefits under the scheme. However, the scheme may be availed by only those States which have either fulfilled their Solar RPOs commit to do so within a given time frame.
- **Eligibility:** State Power Generation Companies / State Government Utilities / any other State Government Organization / PSUs / GOI PSUs or GOI organizations, provided that they are operating in power sector or own canal systems, i.e. are into irrigation
- **Implementation agency:** The solar PV Power plants will be developed by the State Power Generation Companies / State Government Utilities / any other State Government Organization/ PSUs / GOI PSUs or GOI organizations, provided that they are operating in power sector or own canal systems, i.e. are into irrigation.
- **Scheme Manager:** The Scheme manager on behalf of MNRE would be Solar Energy Corporation of India (SECI) under the MNRE.
- **Mode of operation of Scheme:** The PV Power plants will be developed by the

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State Power Generation Companies / State Government Utilities / any other State Government Organization / PSUs/ GOI PSUs or GOI organization, provided that are operating in power sector or own canal system, i.e. are into irrigation. The Scheme manager on behalf of MNRE would be solar Energy Corporation of India (SECI) under the MNRE. The implementing Agency will submit the application / proposal for setting up Grid-connected solar PV Power Plants on Canal Banks / Canal Tops to MNRE. MNRE / SECI will analyze / scrutinize the application / proposal and if found appropriate, MNRE will sanction the project, including the ones in project mode made during 2014-15. Thereafter, SECI shall release the capital subsidy of upto Rs. 3cr. MW for Canal Top SPV projects and Rs. 1.3cr / MW for Canal Bank SPV Projects.

Central Financial Assistance

- Rs.3cr / MW or 30% of the project cost, whichever is lower, for Canal Top

SPV projects and Rs. 1.5 crore / MW or 30% of the project cost, whichever is lower, for Canal Bank SPV projects

- CFA of upto Rs. 225 crore for 100 MW (50 MW on Canal Tops and 50 MW on Canal Banks) to be disbursed over a period of maximum 2 years post sanctioning of the plants as under :
 - Up to 40% on sanctioning of the projects.
 - 60% on successful commissioning of the projects.

Service charge to SECI @1%:Rs. 2.24 crore.

Guidelines for Pilot- cum – Demonstration Project for Development of Grid Connected PV Power Plants on Canal Banks and Canal Tops

- MNRE through this scheme proposes to encourage the State Power Generation Companies / State Government Utilities / any other State Government Organization / PSUs to set up grid-connected solar PV Power plants of 1-10 MW capacity with an aggregate capacity of 100 MW on Canal Tops / Canal Banks (50 MW Canal Top SPV Projects and 50 MW Canal Bank SPV Projects) by providing capital subsidy of Rs. 3cr. / MW for Canal Top SPV Project and Rs. 1.5cr for Canal Bank SPV Projects; 40 % at time of sanctioning and balance 60 % on commissioning of Plant
- These plants will be sanctioned over a period of 2 years and will be required to be commissioned over a period of 15 months from date of sanction unless extended by competent authority for valid reasons
- All these plants will get installed over a span of 3 years. Besides gainful utilization



tion of the unutilized space over Canal Tops / unutilized land on Canal Banks for power generation, the plants will enable the participating State to meet their Renewable Purchase Obligation (RPO) mandates and also provide employment opportunities to local population. The Scheme may be availed by only those States which have either fulfilled their Solar RPOs or commit to do so within given time frame

- Such plants could be sent up in all the States having its network of Canals. It is proposed to encourage the State Power Generation Companies / State Government Utilities / any other State Government Organization / PSUs to set up such plants, either on their own or through private sector developers. CPSUs and other Govt. organization, which are either operating in the power sector or own canal systems will be also be eligible to apply under the scheme and may be termed as the implementing agency. MNRE will provide fixed capital subsidy of Rs. 3cr./ MW of installed capacity (AC output) for Canal Top SPV projects and Rs. 1.5c / MQ of installed capacity (Ac output) for Canal Bank SPV Projects
- The implementing agency will meet the balance expenditure through own resources or loan or any other means like developers and will enter into firm long term (25 years) tie-up with concerned State irrigation Department /

A total capacity of 100 MW will be set up and will help to achieve targets set under National solar Mission (NSM) announced by the Government of India, in demonstration mode and project mode

relevant organizations for utilization of the Canal Tops /Banks for setting up to power plants and PPA with State Utility / Discom for evacuation and purchase of the power generated from their plant at tariffs as mutually agreed or as fixed by the State Electricity Regulatory Commission

- The scheme will lead to gainful utilization of the unutilized area on top of Canals and also the vacant Government land along the bank of Canals wherever available, for setting up Solar

PV Power generating plants for feeding the generated power to Grid

- A total capacity of 100 MW will be set up and will help to achieve targets set under National solar Mission (NSM) announced by the Government of India, in demonstration mode and project mode
- Solar PV Power Plants of minimum capacity of 1 MW and a maximum capacity of 10 MW will be covered under this Scheme
- The plants would be designed for inter-connection with the transmission network of STU or any other transmission utility at voltage level of 33 KV or above. Interconnection with the Discom network may be accepted in case where the Discom is the ultimate buyer of the entire quantity of power from that project
- The implementing Agency will enter into firm, long-term (25 years) tie-up with concerned State Department / relevant organizations for utilization of the Canal Tops / Banks for setting up the plants and PPA with State Utility / Discom for evacuation and purchase of the power generated from their plant at tariffs as mutually agreed or as fixed by the State Electricity Regulatory Commission ❧

PROJECT SANCTION AND FINANCIAL ASSISTANCE

Milestone	Timeline	% of Subsidy disbursed
Date of issue of administrative approval, i.e. sanctioning of the project	Day 0	Upto 40%
Commissioning of the Plant	15 Months	60%