

At-scale Agri-Solarisation in Maharashtra

PM KUSUM

(Mukhyamantri Saur Krushi Vahini Yojana – 2.0) Presentation at "**DUM-2024 (Session-2)**"

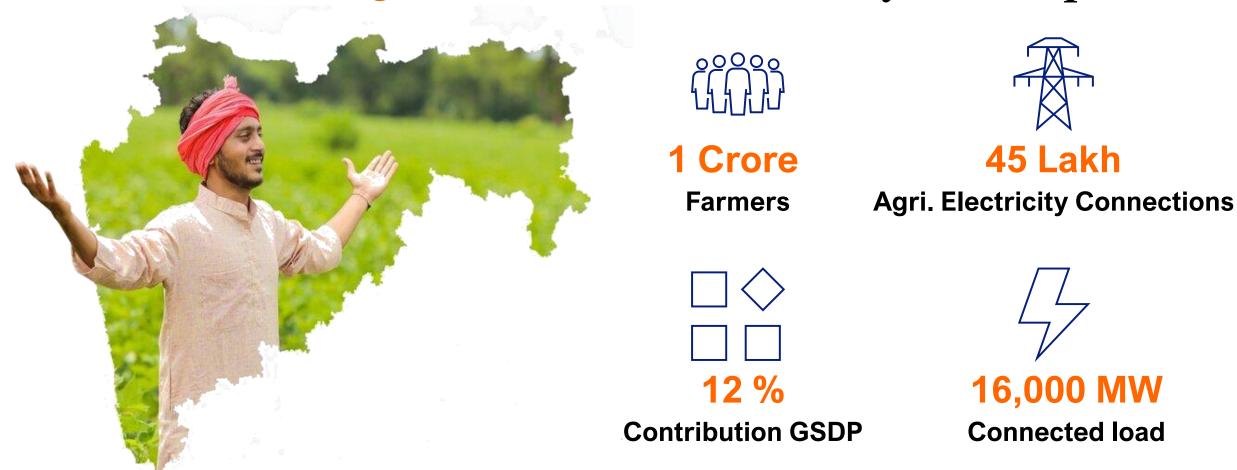
Presented by -

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Addl. Chief Secretary(Energy), Govt. of Maharashtra



Maharashtra is home to more than 1 Crore farmers, who contribute to 30% of the state's electricity consumption

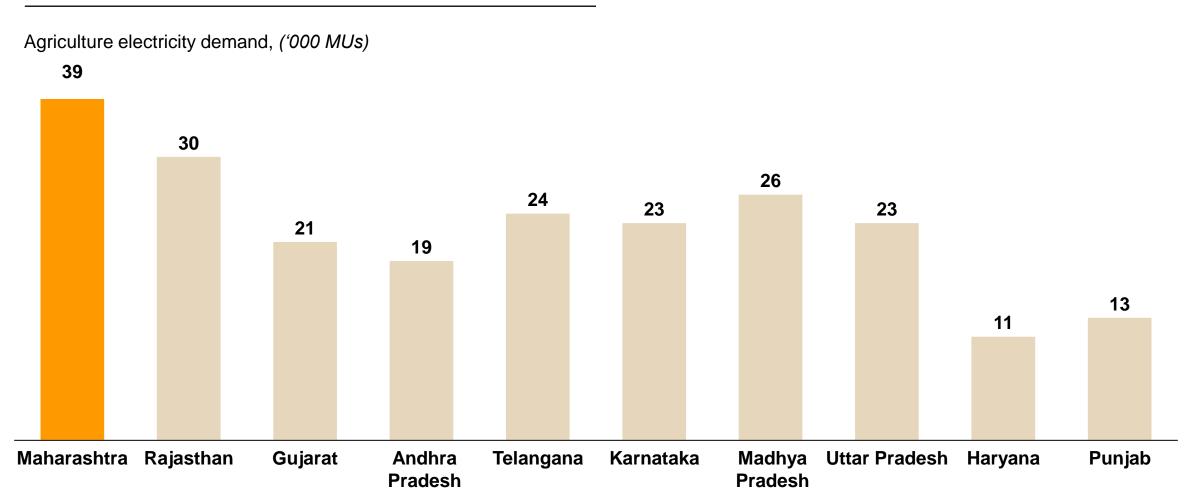


Maharashtra has the highest Agriculture demand in India (39,000 Mus)

Agriculture sector highly subsidized & the Major cause of Revenue losses to Discom

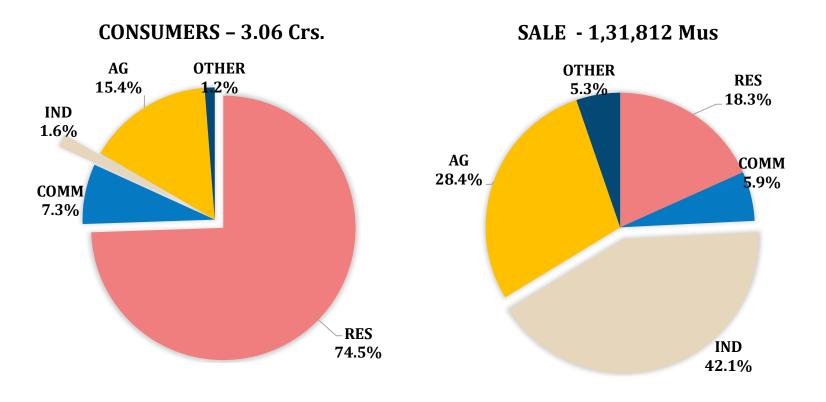
Other states can follow in Maharashtra's footsteps to accelerate distributed solar generation for agricultural demand

Maharashtra has the highest agriculture demand in India



Source – www.iced.niti.gov.in

30% Energy is Consumed by Agriculture and Agriculture recovery is only 2 to 3 %



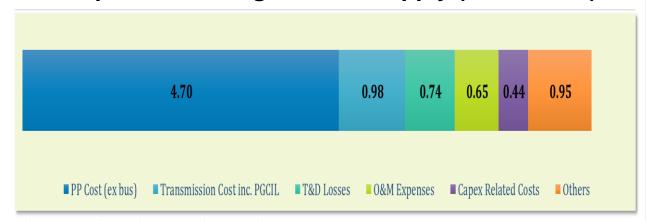
Agriculture Scenario

Particulars	No's			
Total Agri consumers	45 Lakhs			
Total Agri load	16,000 MW			
Total Ag substations	3,000			
Total feeders	27,826			
Total Agri feeders	10,811			
Segregated Ag feeders	7000			

- ☐ Agriculture Recovery is: 2-3 % Agriculture Arrears is Rs. 66,840 Crs.
- ☐ GoM launched MSKVY 1.0 in 2017; its main objective being providing reliable day time supply to Agri. at reasonable tariff.
- □ Scheme to be implemented in PPP wherein Developers are to be selected through competitive bidding.
- ☐ Agri feeders can be powered by 2-25 MW solar projects @ 33/11 KV S/Ss

Agriculture sector highly subsidized in Maharashtra & the Major cause of Revenue losses of Discom

☐ Components of Avg. Cost of Supply (FY 2023-24)



Others: Interest on Working Capital, Interest on SD, Other expenses, Other Income, Gap, etc.

- □ Avg. Cost of Supply (FY 2023-24) Rs. 8.46 / unit.
- ☐ Agriculture tariff decided by MERC : Rs. 4.03 / unit
- ☐ Tariffs to be paid by farmers
 - Below 3 HP Pumps Rs. 1.27 per unit
 - Above 3 HP Pumps Rs. 1.57 per unit

Industrial tariff in Maharashtra is one of the highest in India − Rs. 9.64/Unit to Rs.
 11.77/Unit

- ☐ Direct subsidies
 - Agriculture subsidy Rs. 7,356 Crs. / year
 - Industrial Subsidy Rs. 3,963 Crs / Year
 - Total GoM Subsidy Rs. 11,319 Cr./ Year
- ☐ Cross Subsidy
 - Burden on Industries Rs.15,336 Cr./ year

5 Major Challenges addressed through Design Reengineering

Delay in

Permissions /

NoCs

Small Project Size

Cluster based <u>approach</u> (200-250 MW -50 MW)

Economics of Scale for Solar Power Developer

Land **Availability**

Identification of Govt. land within 5-10 km radius from of 33/11 KV Sub-Station.

- Advance Clearance
- Advance Grid Connectivity

No Data **Availability to Developers**

Data Room With **GIS** Layered details of each land parcel

Delay in Payments to SPDs

- Creation of revolving fund mechanism
- Provision for Deemed Generation
- Nodal Agency to extend **payment** security

Provision of Rs.100 Cr / 1000MW from Green Cess Fund

40,000 Acres

Govt. Land identified in 3 months.

Extensive use of PM GATI **SHAKTI & other** IT Portals.

More than 6,000 **NoCs and Grid** Connectivity **Permissions** issued.

Geo Tagged Substations & land parcel details

Reengineering of Processes in 4 Major Steps

New Transactional Structure

- Formation of Maha Agro Solar Company
- 22 SPVs Created

Ease of Doing Business

- Exclusive single window portal & access to data room to SPDs
- From award of work to real time monitoring of Generation through SCADA will be from single window portal.

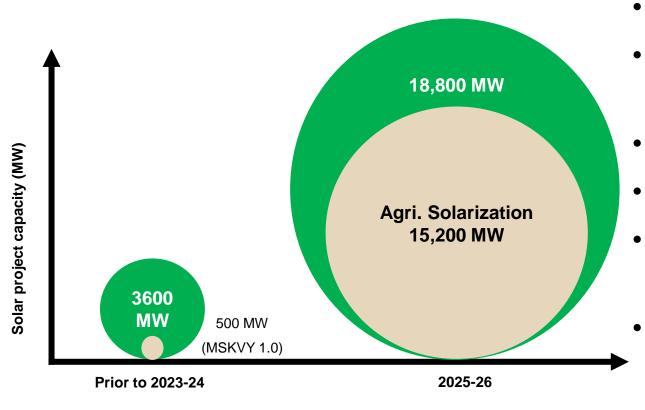
Tagging of Projects with PM – KUSUM C

- In order to avail 30% CFA (Central Finance Assistance)
- Rs. 3500 Cr CFA approved, Rs. 3800 Cr in Process

State Incentives

- Land Lease rent fixed @ Rs. 125000/ Hectare with 3% increase per year (For Private Land)
- Social Development Grant to Gram Panchayat @Rs.5Lakh per year for 3 years
- System Strengthening Grant @ Rs. 25 Lakhs per Substation (One Time)
- Production Incentive for early commissioning @ 25 Paisa/ Unit at 11 KV and @ 15 paisa per unit at 33 KV (for 3 years)

15,200 MW Solar Capacity awarded in 10 months and work started

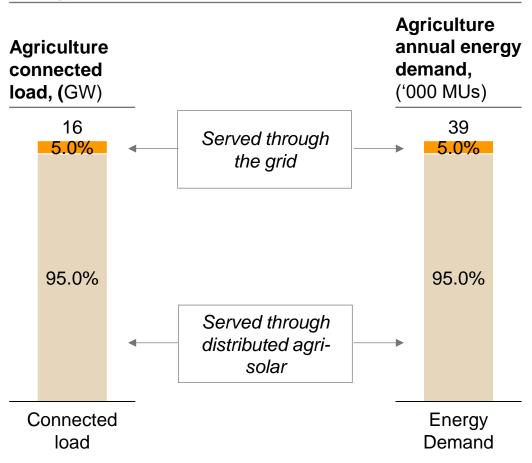


- Transparent e-bidding process
- Cater to 88% of agriculture demand across 27 districts in the state
- Average tariff discovered Rs. 3.08/kWh
- Another 1166 MW bidding initiated
- All regulatory approvals in place alongwith tariff adoption
- First 7 Projects of 26 MW commissioned in Oct-Nov'24 within 6 month of award of LoA.

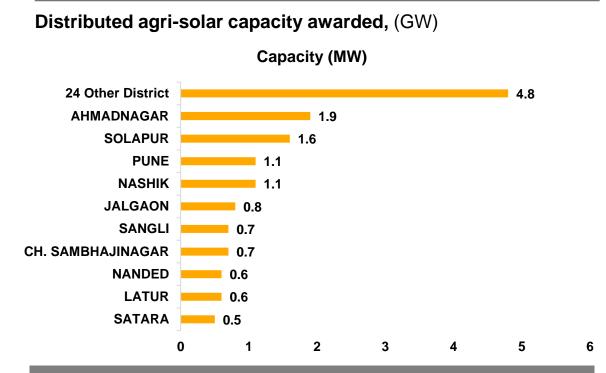
Solar energy capacity of Maharashtra will be ~6 times of the present solar capacity within next 18 Months

Maharashtra has pioneered the largest distributed solar deployment in India, with tenders awarded for 15200 MW

15,200 MW of agri-solar capacity will cater to 95% of Maharashtra's agriculture load and 95% of energy demand



70% of MSKVY 2.0 capacity coming up in 10 districts with high agriculture density



- Tenders awarded within 10 months and on track to be commissioned by end of 2025
- 500 MW to be commissioned by Dec 2024
- Apart from this Solarization of LIS ~1000MW

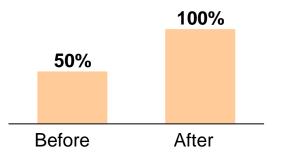
PM-KUSUM C / MSKVY 2.0 : Game Changer for all stakeholders



Reliable power supply

at desired voltage level







Additional income

1.25L per Ha per annum from leasing of non-fertile land

Lower electricity tariff



Increased Participation of women workforce

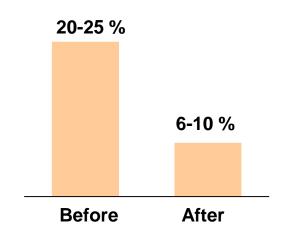
Due to day-time availability of power

30 Lakhs women benefitted

Social Development Grant to Gram Panchayat

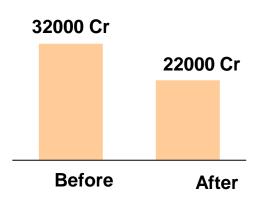
PM-KUSUM C / MSKVY 2.0 : Game Changer for all stakeholders



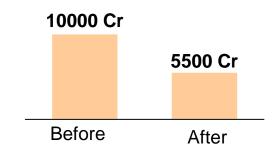


Savings of Rs.10,000 Cr. In

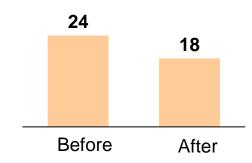




Reduction in annual Govt. subsidy to the tune of Rs.4-5k Cr.



25% reduction in Green House Gas emissions (MtCO2e)



Cross-subsidy reduction on account of Rs. 1-1.5/kWh tariff reduction for commercial and Industrial consumers



Government of Maharashtra

Thank You



Projects upto 5 MW at 11 KV SS and upto 25 MW at 33 KV SS; SS meeting the technical criteria with required addl. bay space are covered.

Selection of Substations

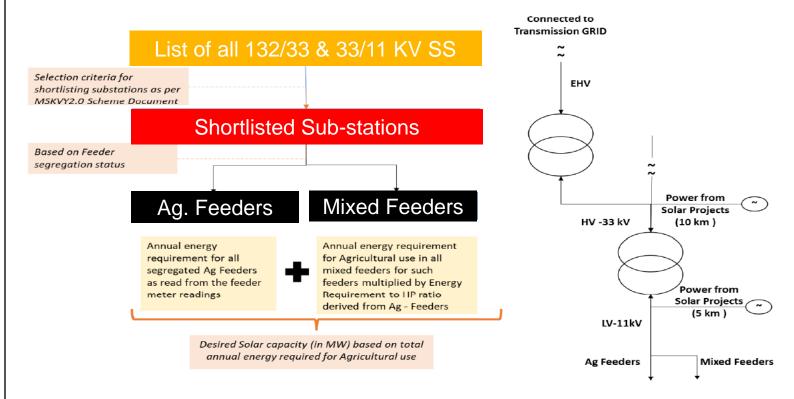
Filtering criteria of S/Ss:

- A. 33/11 kV substations: having Agri consumption load in the range of 0.5 to 5 MW
- 132/33 kV substations: having Agri consumption load in the range of 5 to 25 MW either directly or through the downstream substations of 33/11 kV
- C. Substations with no space for bay at LV side can be included only if there's additional land available for such expansion

Preference criteria:

A. S/Ss with higher availability & better revenue realization

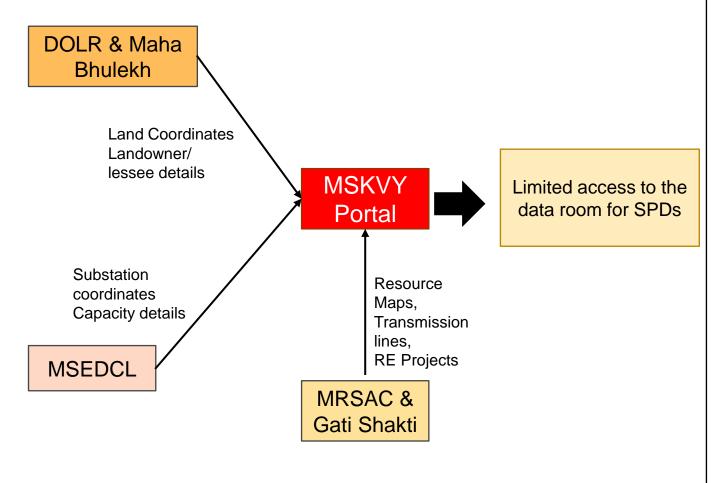
Sizing of solar projects



- Sizing to be done based on actual annual energy required for Agri
- Reduces loading of 132kV line, 33kV line as well as power transformers in 132/33kV and 33/11kV substations

Data room with Geo tagged details of SS, Land parcel and all advanced NoC's was made available on payment basis to SPDs

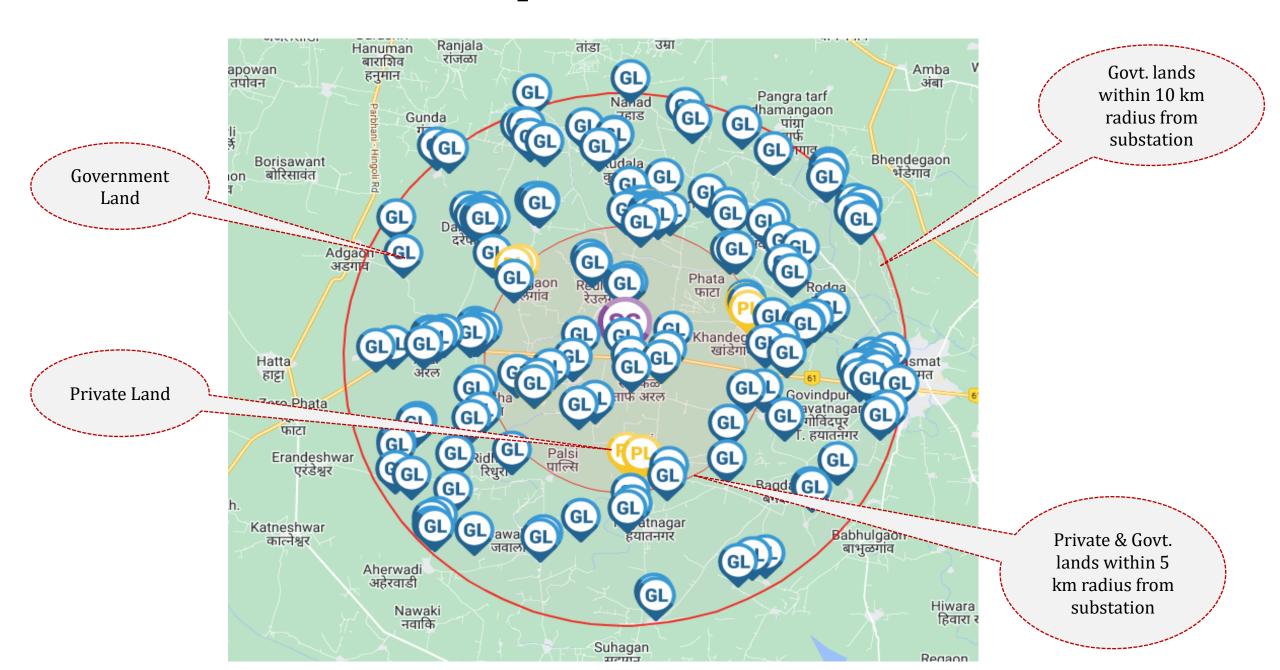
Data room for revenue land



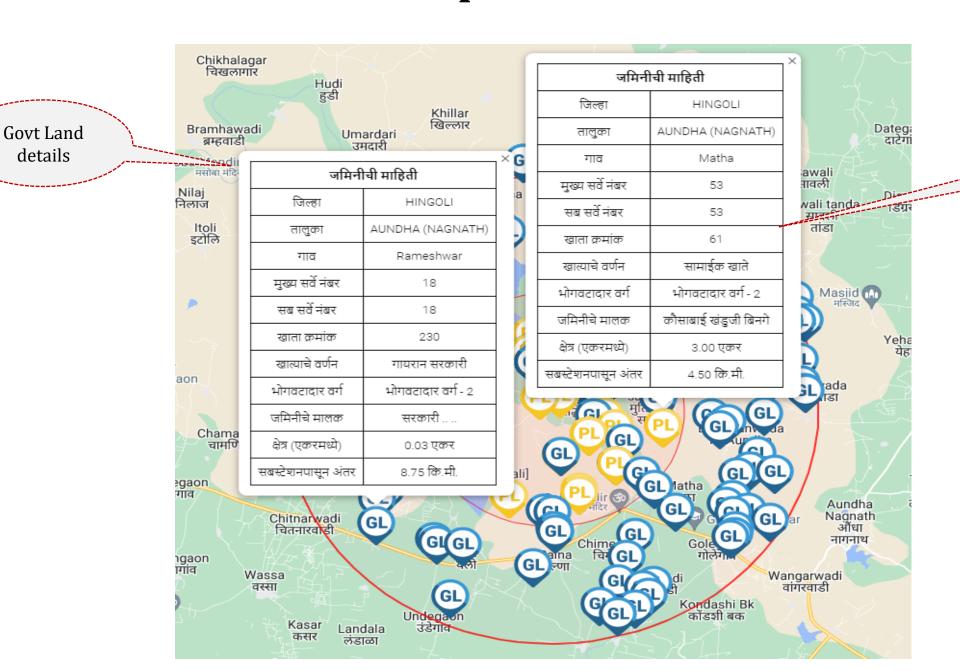
- Data room to be created for both Revenue and private land
- Private land to also enjoy single window mechanism
- Following data shall be made available to the prospective bidders through data room:
 - Location of substations with their MW
 - Details of agriculture load served downstream
 - MW capacity already installed downstream under MSKVY
 - Details of spare bay available at LV side of substations
 - Polygon of the land parcel along with latitude and longitude
 - GIS layers of solar irradiation resource maps, transmission lines, railway line or highway crossings, water bodies, rainwater submergence, etc.

Lands Details		View Map Legend	शिंदे वस्ती	Goradwadi गोरांडवाडी	Zuinev झुंजेव	vaui isl		पिसेवाडी	Velapur वेलापूर	Ughadewad उगडेवाडी	i विठ्ठलव Bondale बोंडाले	
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View on Map – Govt & Private Lands



View on Map – Govt & Private Lands



details

Private Land details



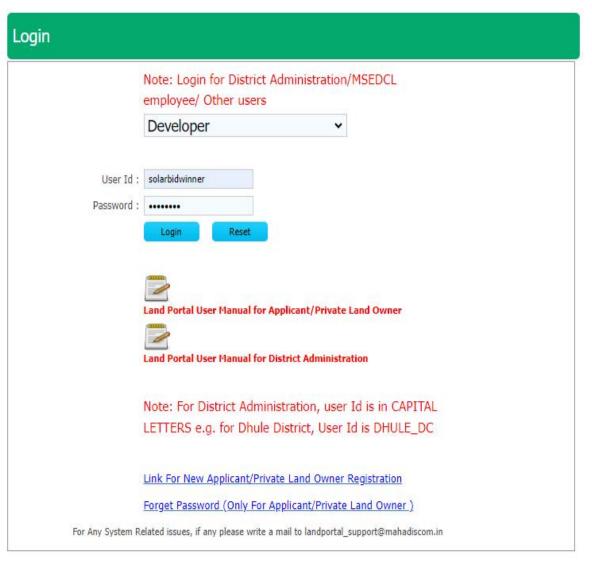


Maharashtra State Electricity Distribution Co. Ltd.

Land Portal

Applicant / Private Land owner can submit there application from this site for details please refer to Land Porta







Maharashtra State Electricity Distribution Co. Ltd.

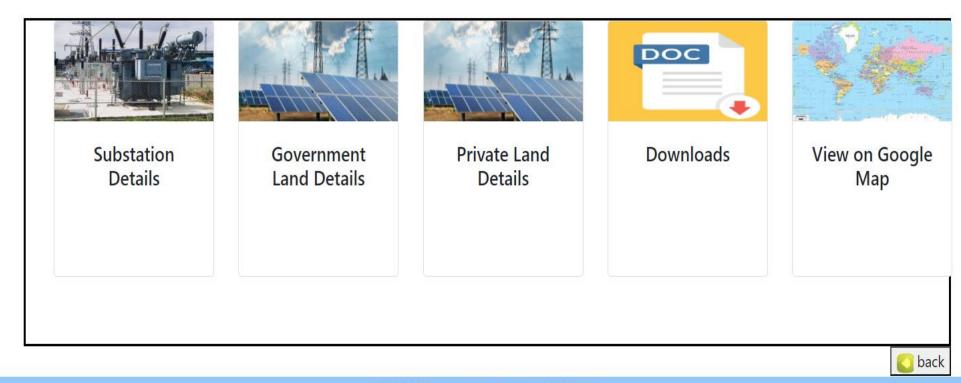
Data room for Solar Developers

User : mskvydev1

User Role : Developer

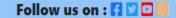


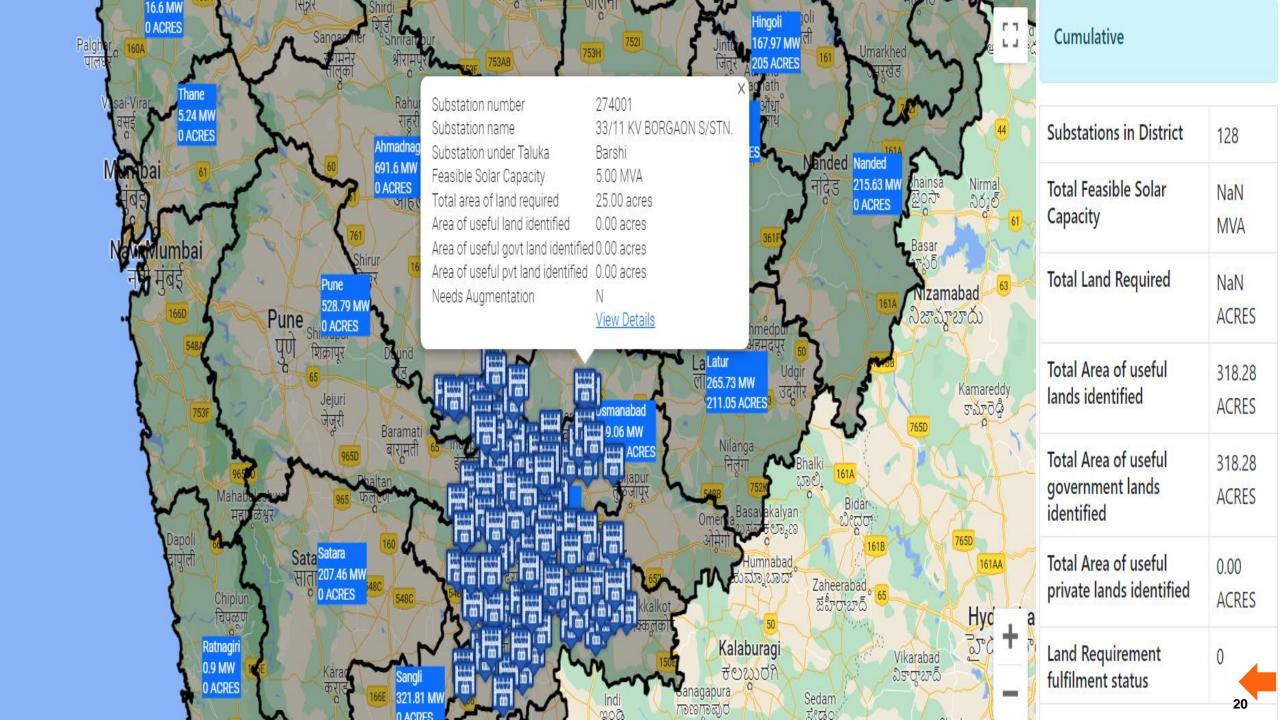
Data Room For Project View



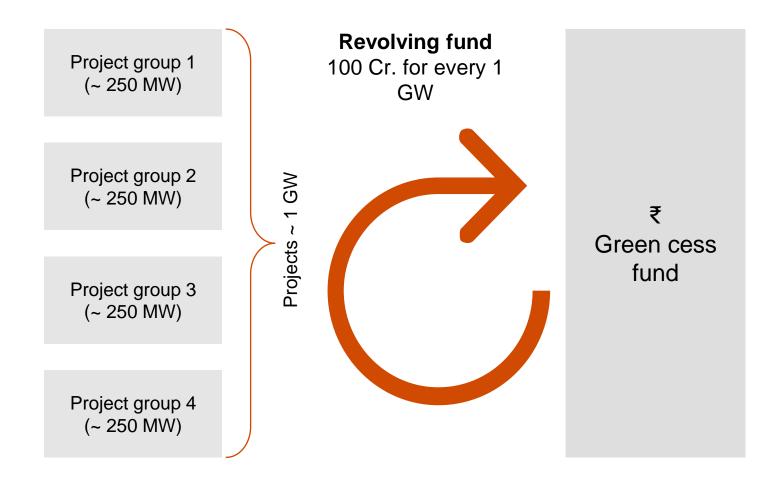
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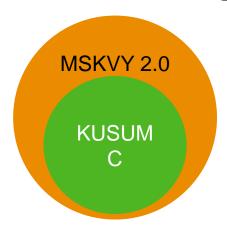


Payment security: Revolving fund of INR 100 Cr per GW to further de-risk the project for developers



- Fund of Rs. 100 Crore for every 1 GW from Green-cess fund to create revolving credit guarantee
- Nodal Agency will extend payment security if MSEDCL delays >3 months
- Amount would be offset against accrued payout for GoMH's subsidy to MSEDCL to replenish the guarantee fund immediately
- Nodal agency would get 1% administrative fee

MSKVY2.0 is tagged with PM-KUSUM-C for Central Financial Assistance alongwith Addl. incentives by State



- Projects to be tagged with KUSUM-C to avail **CFA**
- Tagging with KUSUM-C would require sourcing domestic content

*Company/Proprietary Concern/ Individual/Co-Operative Society/ Bidding Consortium/Member of a **Bidding Consortium**

Particulars	MSKVY2.0	PM-KUSUM C
1) Project capacity	2-25 MW based on annual energy required for Agriculture	No limit on sizing
2) Land	 Revenue land to be housed under SPV for phase 1 Developer may choose land from MSEDCL's portal 	 Developer may choose land from MSEDCL's land portal
3) Bidder definition	All types of bidders*	All types of bidders*
4) Minimum CUF	19%	19%
5) SCoD	12 months from PPA	9 months from PPA
6) Incentives	 Rs. 0.25/unit @ 11 kV & Rs. 0.15/unit for @ 33 kV injection Rs. 25 Lakhs grant for strengthening MEDCL's S/Ss Rs. 5 Lakhs for 3 years each to gram panchayats 	CFA of Rs.1.05 Cr./MW
7) Metering & RMS of AG consumers	Data from RMU will be pulled by CMS	Metering & RMS of AG consumers connected



