

NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

Ref: - NSEFI/MoF/2020-21

Date: 30.06.2020

To,

The Secretary,
Department of Expenditure,
Procurement Policy Division
Ministry of Finance, Government of India

Sub: Renewable Energy Industry and the Impact of Novel Coronavirus (Covid-19) – Seeking

Relief under these extraordinary circumstances

Dear Sir,

National Solar Energy Federation of India (NSEFI) is a non-profit organization with the objective of Renewable power development. It is an umbrella organization representing Renewable energy companies active along the whole photovoltaic value chain: project developers, manufacturers, engineering companies, financing institutions and other stakeholders. NSEFI is founded in 2013 by solar energy industry leaders with the vision to promote solar energy, NSEFI is a public trust based in New Delhi. Our Members have executed Solar as well as Wind power projects across the country, under the State and Central Schemes across India.

We are writing to you with regards to the current extraordinary and challenging situation being faced with respect to the spread of COVID-19 epidemic. Besides its worrying effects on human life, COVID-19 has the potential to significantly slowdown not only the Indian economy but also the global economy and we believe the exact impact will be fully known in the coming days once more data in the form of economic indicators is released by the government.

We firmly believe and applaud the Rs 20 lakh crore package announced by the Hon'ble Ministry, as it is a "major step" in making the country 'Atamnirbhar' and we believe that India shall set an example before the world in economic revival.

However, in the interim the industry would require some handholding from the government so that the industry is able to perform its obligations under the contract. In this context, we would like to draw your attention to No.18/4/2020-PPD dated 13^h May 2020 by way of which the Ministry has iterated that Coronavirus pandemic be considered a Force Majeure situation. The OM also states that an extension of between 3 months to 6 months may be given to all concessionaires under the PPP contract. Basis this OM, the relevant procuring entities have issued extension for a period of 3 months. However, such agencies are typically not willing to provide further extension without detailed documentary proof, and collecting such documentation is a very cumbersome process.

We would also like to draw your attention to some challenges that the renewable energy industry is facing in executing pipeline projects on the ground:

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- 1. Land registrations are severely delayed in states as government offices are either understaffed due to various reasons as being part of containment zones, work from home guidelines and the staff being busy in Covid related work.
- 2. Mandatory quarantine guidelines wherein people incoming in a state are required to mandatorily stay in quarantine, thereby making movement of officials difficult, including site visit of Environmental, social and lender's engineer could not be done.
- 3. The land-owners that are in other states or in other districts than the actual land location are reluctant to travel for land registration.
- 4. Factories are also not working at full strength which is having cascading effect on lead items of many equipment that are required for plant construction.

While all above challenges are real and visible, gathering documentary proofs for each and every project / site / action is a very cumbersome exercise. In light of the above we would request you to issue a clarification to include the following:

- 1. Timelines for all under-construction projects maybe extended by respective counterparties, by a period of 6 months.
- 2. Timelines for all those projects which are under-construction and have their SCOD beyond September 2019 be extended by 6 months, as some of them would have been trying to complete their projects in the additional period allowed (typically 6 months) under their respective contracts.

To deal with this existential crisis, we would like you to take a sympathetic view towards the industry.

We sincerely urge your good offices to push for these enablers so that we continue to supply power to the grid in such troubled times.

Regards

Subrahmanyam Pulipaka

Chief Executive Officer

