

**No. 244/3/2022 - Wind  
Government of India  
Ministry of New and Renewable Energy  
(Wind Energy Division)**

Atal Akshay Urja Bhawan,  
Lodhi Road, New Delhi 110003  
Date: 11.09.2024

To

**The Pay & Accounts Officer,**  
Ministry of New and Renewable Energy,  
New Delhi- 110003

**Subject: Scheme Guidelines for Implementation of “Viability Gap Funding (VGF) Scheme for offshore wind energy projects”- Reg.**

Sir/Madam,

I am directed to convey the sanction of the President of India for the implementation of “VGF Scheme for the implementation of offshore wind energy projects” of 1000 MW capacity for the period from issuance of this order till FY 2031-32 with an outlay of Rs. 6853 Crore.

**2. Objectives:**

The objective of these guidelines is to commission 1000 MW of offshore wind energy projects.

**3. Implementation Methodology:** The Scheme will be implemented as per the detailed Scheme Guidelines at **Annex**.

4. The Guidelines for competitive bidding process for award of offshore wind power projects under this scheme is placed at **Appendix**.

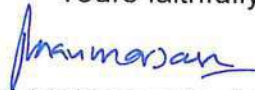
5. The expenditure on this scheme will be met from the budget provisions given under the VGF for establishment of 1000 MW offshore wind energy capacity.

6. Solar Energy Corporation of India (SECI) shall be implementing agency for implementation of this scheme.

7. This issues in exercise of the powers conferred on this Ministry and with the concurrence of IFD vide their Diary No. 209 dated 11.09.2024.

8. This has the approval of the Hon'ble Minister of New and Renewable Energy.

Yours faithfully

  
(Dr Prabir Kumar Dash) 11.9.24  
Scientist-E

**Enclosed:** As above

Copy to:

1. All Central Government Ministries and Departments
2. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
3. Secretary, Ministry of Ports, Shipping and Waterways, New Delhi
4. Solar Energy Corporation of India (SECI), 6th Floor, Plate- B, NBCC Office, Block Tower-2, East Kidwai Nagar, New Delhi- 110023
5. Chairman, Central Transmission Utility of India Limited
6. Additional Chief Secretary, Energy & Petrochemicals Department, Government of Gujarat, Gandhinagar, Gujarat - 382010
7. Principal Secretary, Energy Department, Government of Gujarat, Chennai - 600009
8. Principal Director of Audit, Scientific Audit- II, DGCAR, I.P. Estate, Delhi -11002
9. Director General (Local Bodies), Office of the Comptroller & Auditor General, Deendayal Upadhyay Marg, New Delhi

**Internal Distribution:**

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(Dr Prabir Kumar Dash) 11.09.24  
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## **Scheme Guidelines for Implementation of “Viability Gap Funding (VGF) Scheme for offshore wind energy projects”**

### **1. Introduction**

Offshore wind is a source of renewable energy which offers several advantages over onshore wind and solar projects, such as higher adequacy & reliability, lower storage requirement and higher employment potential. An offshore wind energy project consists of various systems and subsystems, such as offshore wind turbines which are linked to offshore substations(s) and undersea cables from offshore substation to onshore substation connecting to the national grid which enable the generation of power off the coast, and its transmission to the mainland. The offshore wind energy project requires installation of offshore structures, foundations, installations of turbines, laying of inter array power cables & export power cables and substations in marine environment. i.e., Offshore substation.

The Government of India has approved the “Viability Gap Funding (VGF) scheme for offshore wind energy projects” with a total outlay of Rs. 7453 crore including VGF of Rs 6853 crore for installation of 1000 MW of offshore wind energy projects off the coast of Gujarat and Tamil Nadu (including administrative charges payable to SECI) and grant of Rs 600 crore for upgradation of two ports to meet the logistics requirements for offshore wind energy projects. These incentives are aimed at kick-starting offshore wind energy projects in India. This document lays down the framework for the proposed incentives for development of offshore wind energy projects. The operational guidelines for upgradation of ports to meet the logistics requirements for offshore wind energy projects will be issued by Ministry of Ports, Shipping and Waterways.

**2. Title of Scheme:** Viability Gap Funding (VGF) Scheme for implementation of the offshore wind energy projects

**3. Budgetary Outlay:** Rs. 6853 crore for Offshore wind energy projects

**4. Objective of the guideline:** The objective of the guidelines is to commission 1000 MW of offshore wind energy projects.

### **5. Project locations:**

National Institute of Wind Energy (NIWE), an autonomous body under Ministry of New and Renewable Energy (MNRE), has conducted studies and surveys for a site equivalent to 1000 MW project capacity off the coast of Gujarat and has already published two years' wind assessment data. The first offshore wind project site of 500 MW capacity off Gujarat coast is identified. The site for 500 MW capacity off Tamil Nadu coast will be finalised once study/survey for the same is completed by NIWE.

## **6. Implementation Methodology**

The Scheme will be implemented through a transparent selection process for award of VGF, details of which are furnished in the succeeding paragraphs.

### **6.1. Implementation Agency**

- i. The scheme will be implemented by MNRE through Solar Energy Corporation of India Limited (SECI) as the Implementing Agency. SECI will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MNRE from time to time. The responsibilities of SECI inter alia, include receipt of applications, examination and appraisal of applications as per the provisions of the scheme, issuing acknowledgements and letters of award to applicants, examination of claims of beneficiaries for disbursement of VGF, verification and reconciliation of disbursement claims with prescribed documents, compilation of data regarding progress and performance of the scheme through Quarterly Review Reports and other information/documents. SECI will also submit progress to MNRE on a quarterly basis along with details of disbursement claims received for VGF, amount disbursed, reasons for delay in disbursement of the VGF, etc. SECI will be eligible to get 0.5% of the VGF amount disbursed as administrative charges on annual basis.
- ii. SECI will have the right to carry out physical inspection of an applicant's project sites and offices. It may take help of third-party agencies for verification of technical parameters. If required, MNRE may also designate National Accreditation Board for Certification Bodies (NABCB) accredited agencies or third-party certification agencies, etc. for such verification.
- iii. SECI shall issue bid(s) for the 500 MW offshore wind project off the coast of Gujarat after issuance of these Guidelines. The bid(s) for the remaining 500 MW off the coast of Tamil Nadu shall only be issued after consultation with NIWE regarding availability of necessary study/ survey data for the site.
- iv. SECI shall sign the PPA with the Offshore Wind Power Developer (OWPD) for the contract period i.e. 25 years and back-to-back sign Power Sale Agreement (PSA) with DISCOMs of concerned states.

### **6.2. Guiding Principles**

- i. Under the VGF Scheme, support will be provided for implementing the offshore wind energy projects for setting up total 1000 MW offshore wind capacity (500 MW each off the coast of Gujarat and Tamil Nadu).
- ii. The disbursal will be through SECI based on achievement of milestones and submission of claims as indicated in the para 6.4.1.
- iii. The VGF proposed under this scheme will be provided till the F.Y. 2031-32.



### **6.3. Selection of bidders for award of incentive**

The details of selection process of bidders for award of VGF is outlined in this section.

#### **6.3.1. Bid process**

SECI will invite bid(s) for competitive selection of bidder through International competitive bidding. Successful bidders will be eligible to access the VGF as detailed in the document. The bidders will be required to quote required VGF per MW as part of their Financial Bid under this RfS, which shall be less than or equal to the ceiling limit. The bidders will have the option for Greenshoe option for allocation of additional capacity up to 50 MW so that total capacity of the project does not exceed 550 MW.

#### **6.3.2. Selection process**

The bid(s) invitation will be on a single-stage two envelope basis wherein first envelope will be the technical bid and the second envelope will be the financial bid. The selection of the bidder will be based on financial bid wherein the bidder will quote the VGF amount. The technical bid will be opened first and evaluated, and only the qualified bidders will be considered for the financial bid, which will further undergo e-reverse auction with an upper cap in the VGF amount.

- i. The selection of the OWPD will be carried out through e-bidding process. The Project site identified under this RfS shall be allocated to a single Bidder for setting up a single Project.
- ii. The total number of Bidders shortlisted for the e-reverse auction shall be decided as mentioned below:
  - a. In case the number of technical qualified Bidders is more than 3, the lowest ranked bidder, i.e., the bidder quoting the highest VGF (the "H1 Bidder") shall be eliminated at this stage, and the remaining technical qualified bidders whose financial bids are in line with the RfS provisions, will be shortlisted for e-RA.
  - b. In case the number of technical qualified Bidders is 3 or 2, all of them will be shortlisted for e-RA.
- iii. Subsequent to conclusion of the e-RA process, the Bidder ranked highest, i.e. quoting the lowest VGF, i.e. being the "L1 Bidder", shall be declared as the Successful Bidder under the RfS and awarded 'Letter of Award'.
- iv. Time stamping- In case of a tie among two or more Bidders (i.e. their last quoted VGF being the same), they will be considered in the chronological order of their last quoted VGF during the e-RA with preference to be given to that Bidder who has quoted his last VGF during the e-RA, earlier than others.
- v. In the above case, if the time of quote also becomes exactly same among the Bidders at a tie, then the ranking among these Bidders shall be done as follows: