MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “MOU”) is entered into this 16th Day of October 2015 by and between:

1. Government of Rajasthan (GoR) through Principal Secretary, Energy; Government Secretariat, Jaipur.

2. Power Grid Corporation of India Limited (POWERTGRID), A Government of India Enterprise incorporated under the companies Act, 1956 and having its registered office at B-9, Qutab Institutional Area, Katwaria Saria, New Delhi – 110 016; and

Government of Rajasthan (GoR) and Power Grid Corporation of India Limited (POWERTGRID) are hereinafter referred to collectively as the “Parties” and individually as a “Party”.

WITNESSETH:

WHEREAS, the Government of Rajasthan, in view of the national target to establish 175 GW of renewable capacity by 2021-22, desires to promote renewable energy, particularly solar energy, with a view to reduce the adverse impact of fossil fuels on the environment, and augment the supply of electricity

29-2-2017
in the State of Rajasthan. Accordingly, GoR has issued a new “Rajasthan Solar Energy Policy, 2014” on 8.10.2014 with a vision of solar capacity addition of 25,000 MW in the State.

WHEREAS, GoR is desirous of facilitating investments in development of intrastate & interstate transmission system in the State of Rajasthan;

WHEREAS, POWERGRID, the Central Transmission Utility (CTU) of the country under Ministry of Power, is one of the largest power transmission utilities in the world. It is playing a vital role in the development of a robust integrated national grid. The company owns and operates about 1,19,533 ckt kms of transmission lines at 800/765kV, 400kV, 220kV & 132kV EHVAC & ± 500kV HVDC levels and 197 sub-stations having a transformation capacity of about 2,40,954 MVA. This gigantic transmission network, spread over length and breadth of the country, is consistently maintained at an availability of over 99%.

WHEREAS, POWERGRID is keen to invest in the development of power evacuation systems for development of green energy.

NOW THEREFORE, in consideration of the foregoing premises, the following summarizes the proposed principal matters that the Parties agree to explore.

Article 1. Development of Transmission System in Rajasthan

1. The Proposal

1. To achieve the State as well as national target, GoR has signed Joint Venture Agreements / MoUs for development of Solar Parks of 26000MW capacity and setting up of solar power projects of 14000MW capacity.
2. GoR has planned the development of Solar Parks through Joint Venture Companies. These Joint Venture Companies have already been incorporated for development of solar parks of 20000MW capacity.
3. Rajasthan Renewable Energy Corporation Limited (RREC) has planned and prepared a schedule for development of renewable energy generation capacity consisting of 26000MW solar and about 8000MW wind power capacity by 2021-22.
4. Government of India has set a target of 100GW solar power generation capacity to be achieved by 2021-22. To achieve this ambitious target, Ministry of New and Renewable Energy (MNRE) has planned to set up solar parks with capacity of about 20000MW in the country. MNRE, under
its Scheme for Development of Solar Parks, has granted “in-Principle” approval to provide central financial assistance for development of solar parks at Bhadla of 700MW (phase-II), 1000MW (phase-III), 500MW (phase-IV) capacity and in Jaisalmer district of 1000MW capacity in Rajasthan. Application for Long Term Access from Bhadla solar power park has already been filed for 500 MW capacity, for which POWERGRID shall be developing interstate transmission system as assigned by Ministry of Power, GoI. The State Government is planning to develop more solar parks in the State.

5. As Rajasthan State will not be able to absorb the envisaged solar and wind power generation within the State, most of the power will require to be evacuated to other parts of the country. The existing transmission network is not adequate to evacuate RE power to be generated in the state. Therefore, interstate transmission system is required to be constructed to evacuate this power to other parts of the country.

2. **Role of Power Grid Corporation of India Limited**

1. POWERGRID will plan and develop interstate transmission system for the evacuation and transmission of solar energy from the envisaged solar power parks to be developed under the MNRE scheme in Bhadla (Jodhpur district) and Jaisalmer district as assigned by Ministry of Power, Government of India at an estimated cost of Rs.10000 crores.

2. POWERGRID, in association with GoR / RRVPN, will also, with the approval of competent authority in this regard, plan & develop, interstate transmission system for evacuation of power from the solar parks to be identified and developed by the State Government and/or its agencies in future.

3. **Government of Rajasthan Support:**

1. GoR will endeavour to get the solar parks developed as per agreed time lines.

2. GoR shall, through Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPN) and / or the solar park developers, ensure that intrastate transmission system is developed to integrate the solar parks with the substations to be constructed by POWERGRID.
3. GoR/RRVPN will support POWERGRID in conducting joint technical study for assessment of new transmission system and strengthening of existing system. RRVPN will also provide all necessary information/data to carry out studies and evolve transmission scheme.

4. GoR shall ensure that connectivity and LTA applications are submitted to CTU/POWERGRID as per applicable guidelines.

5. GoR shall facilitate POWERGRID in the identification of consonant/contiguous land to the solar park for this purpose. It shall allot identified government land, if any, for the construction of 765/400kV pooling station as per applicable rules.

6. GoR will facilitate POWERGRID in obtaining right of way for associated transmission lines.

7. GoR, on its own or through RREC, shall facilitate POWERGRID in getting requisite permits and approvals for development of the transmission system.

8. GoR shall support POWERGRID in such manner as is in compliance with applicable law and consistent with public policy in the implementation of the Proposal.

Article 2. Implementation of MoU

GoR may constitute a high-powered monitoring committee including member from POWERGRID to monitor/co-ordinate implementation of this MOU.

Article 3. Ethical Business Practices

Each Party shall comply with all laws with regard to anti-bribery and prevention of corruption laws applicable to both parties.


The provisions of this MOU are not intended to be binding on the Parties and are intended only to facilitate investment in and implementation of the proposal.
Article 5. Terms and Termination

This MOU shall become effective upon the execution hereof by the Parties, and shall be valid for a period of five years from the date thereof, unless terminated earlier by giving one month written notice given to one Party to the other and would not be required to assign any reason for such termination.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized representatives as of the day and year first above written.

Signed and Declared By

1. By:

   Sanjay Malhotra, IAS
   Principal Secretary, Energy
   (On behalf of Government of Rajasthan)

2. By:

   I. S. Jha
   Chairman & Managing Director
   Power Grid Corporation of India Limited

Witness 1:

   (Br. Doshi)
   MD, POWERGRID

Witness 2:

   (Subir Sen)
   ED (SQ & EE)
   POWERGRID