



SOLAR POWER DEVELOPERS ASSOCIATION

3rd Floor, The Press Trust of India Building, 4 Sansad Marg,
New Delhi-110001 Phone: 9810222250
Email: spda.delhi@gmail.com, duttshekhara@yahoo.com
Website: www.solarpda.com

Shekhar Dutt, SM, IAS(Ret)
Director General, SPD
Former Governor of Chhattisgarh Sta

Date: 27 April 2018

To,
Shri R K Singh
Hon'ble Minister of State (IC)
Ministry of Power and New & Renewable Energy
Government of India
New Delhi

Sub: Regarding Dispute Resolution Committee of SECI to resolve PPA disputes.

Hon'ble Shri R K Singh ji,

Greetings from Solar Power Developers Association (SPDA).

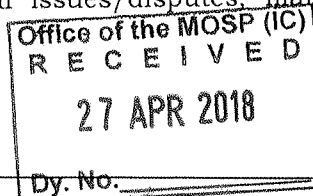
India has achieved 20 GW Solar power generation under your able leadership and I join hands with everyone to congratulate you on this landmark achievement. I can humbly say that SPDA members have made key contribution in this milestone.

Our belief and commitment to achieve this mission in your leadership became stronger with announcement of trajectory for achieving 100 GW by MNRE in Nov 2017. It is a very positive sign that MNRE has met its commitment to tender out 20 GW in 2017-18 and now planning to tender out 30 GW in FY 18-19 with 30 GW more by FY 19-20 to commission 100 GW by 2022.

Solar Energy Corporation of India (SECI) being a dedicated agency for development of renewable energy is responsible to implement majority of solar and wind energy capacities under the various schemes of MNRE with long term contracting with private and government entities. As per an estimate, around 40-50 GW of solar energy contracts shall be executed by SECI by FY 2020.

We sincerely appreciate your approach and clear message given to entire industry at various occasions that all disputes and issues related to PPAs shall be dealt strictly as per contractual provisions.

It is noteworthy that implementation of such a large program may also get affected with delay in resolving contractual issues/disputes, matters related to time extension,



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Former

- Deputy National Security Advisor, Govt. of India
- Defence Secretary, Govt. of India
- Secretary Defence Production, Govt. of India
- Secretary Ministry of Health, Govt. of India
- Director General, Sports Authority of India

disputes over penalties, contract interpretations and issues that may arise out of any contractual provisions, during the implementation of long term contracts with multiple parties. That creates uncertainties among the investor and industry stakeholders. Basis the feedback from our members, timely and amicable resolution of issues could also help in adding up multi MWs solar energy into the grid, which is not commissioned due to on-going contractual disputes between SECI and private parties.

Currently, there are number of disputes related to land, evacuation, and government permissions etc. are pending in regulatory commissions (Central/States) which are filed under provisions of Power purchase agreements signed under MNRE guidelines. Majority of these issues/disputes can be resolved amicably without getting into litigations and also reduce the load on regulatory commissions and judiciary.

Considering the massive scale of capacity addition, there is an utmost urgency and need for intermediate mechanism for **speedy resolution of contractual issues** and amicable settlement of disputes.

Therefore, it is suggested to constitute an independent **Dispute Resolution Committee** of SECI to facilitate faster resolution of issues and support SECI in amicable settlement of contractual disputes for successful implementation of such a large solar program.

In this context, I would like to bring to your kind attention that Indian Highways Management Company Limited (IHMCL) (under Ministry of Transport) vide office order dated 24.04.2018 (**Attached**) constituted a Dispute resolution committee to facilitate faster resolution of issues. Committee is chaired by Sh. L K Joshi, (retired IAS officer) former Secretary to Government of India.

I am also attaching a document containing the **Conciliation Rules and Dispute Resolution Mechanism** set-up by Neyveli Lignite Corporation Limited for your ready reference.

On behalf of entire industry, I sincerely request you to direct the Ministry officials to constitute an independent **Dispute Resolution Committee** for SECI to resolve long pending issues and settlement of contractual disputes amicably. Such a step would really be helpful to reduce the load of litigations from judiciary and to meet the expectation of Honourable Prime Minister Shri Narendra Modi ji with Minimum Government and Maximum Governance.

Look forward to your kind consideration in this regard.

Thanking you,

Yours sincerely,



Shekhar Dutt