

Frequently Asked Questions (FAQ) on Component A of KUSUM scheme

| “Landowner” or “Landowner” | |
|---|---|
| I have a land parcel of about 1 Acre within 5 km radius of 32/11 KV substation. Can it be used for solar power generation purpose? | For setting up 0.5MW capacity solar power project which is the minimum capacity under this project about 2-2.5 acres of land is needed. Your land can be used provided people having land adjacent to your plot also agree to spare the balance land either individually or collectively. |
| Do I have to sell the land outright to the solar power developer. | It is not necessary to sell the land outright to the solar power developer. You can give your land on lease for 27 Years and earn a lease rent . |
| How much money can I get towards lease rent per acre. | That will depend upon your land type, prevailing lease rent in your area and mutual agreement between you and the solar power developer. Under normal circumstances you should get a lease rent of at least Rs 20,000 per acre per annum. |
| What if I wish to sell my land outright. | You can provided the developer is willing to purchase the land outright. |
| After leasing out the land can I still use it for agricultural purposes. | As per lease Agreement you may not have that right. |
| Our land is in joint ownership with my brothers. Can I still lease out our land. | You and your brothers together can lease out. For leasing out any land you should be first in peaceful possession of the land. |
| Within the lease period if me and my brothers divide our property amongst ourselves will the leased out land be returned to us for division. | No. The land can only be returned after expiry of the lease period. |
| Can I sell my land during the period of lease. | Normally you can sell the land only after expiry of the lease period. |
| Can I get some employment in the solar power project set upon my land by the solar power developer. | That would depend upon the solar power developer. |
| How the land will be returned to my after expiry of the lease period | Your land will be returned to you in normal condition i.e. after removal of all plants and materials from the site. |
| Can Individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User associations (WUA) lease their land for the development of the solar Project under Component-A? | <p>Yes, Individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User associations (WUA), also known as “Landowner” or “Landowner”, can lease their land on a monthly rental basis to an SPG, at mutually agreed terms between the SPG and the Landowners.</p> <p>In this regard, the SPG will execute a Land Lease Agreement (LLA) with the landowners for 27 years from the date of signing of LLA. The annual land lease rent per acre can be negotiated between the Landowners.</p> |

| | |
|--|--|
| Where can a Landowner submit the application to lease the land under this Scheme? | The Landowner can submit the application at the web address [https://oredaodisha.com] to express the willingness to lease the land under this Scheme. |
| Where can a Landowner get a self-guidance video on filling up the above application to lease the land under this Scheme? | The Landowner can access the self-guidance video at the web address [https://oredaodisha.com] to fill up the application under this Scheme. |
| Who will be responsible to pay the monthly lease rent to the Landowner? | The SPG shall be responsible to make the payment of monthly rent. |
| Who will pay the lease rent before the achievement of COD for the Project? | Before the achievement of COD for the Project, the SPG shall make the payment of monthly lease rent to the Landowner on or before 5 th of every month in advance. |
| Who will pay the lease rent after the achievement of COD for the Project? | After the achievement of COD for the Project, the SPG shall make the payment of monthly lease rent to the Landowner on or before 5 th of every month in advance through GRIDCO. In such a case, GRIDCO will pay the rent to the Landowner on a monthly basis from the proceeds payable to the Landowner for the energy supplied by the SPG as per the PPA. |
| How much annual lease rent a Landowner can earn? | The Landowner can earn an annual lease rent with a range from 20,000 to 25,000 INR per acre per annum. |
| Can I aggregate the land parcels with other Landowners? | Yes, a group of Landowners can aggregate their land parcels and collectively lease their land parcels to the SPGs. |
| Can I do any agricultural activities once I lease out my land parcels? | Once the land parcels are leased out to the SPGs, you may do agricultural activities generally allowed inside a solar plant, provided it is agreed mutually between the SPG and the Landowner. However, in case it is mutually agreed that the Landowner cannot do any agricultural activities, then the Landowner cannot do any agricultural activities during the Lease Period unless it is waived off by the SPG. |
| As a Landowner, do I need to mandatorily open a bank account? | Yes, the Landowner needs to open a bank account at a suitable bank for the transactions related the monthly lease rent. |
| What will happen to the LLA in case the PPA is terminated due to any reasons as per the PPA? | In case the PPA is terminated due to any reasons whatsoever, the LLA shall also be terminated and the land parcels will be handed over to the Landowners by the SPG after disposal of the Project in accordance with the “e-waste (Management and Handling) Rules, 2011” notified by the Government and as revised and amended from time to time. |

| “Solar Power Generator (SPG)” | |
|---|---|
| Who is eligible under Component-A of the PM-KUSUM Scheme? | <p>Individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User associations (WUA), also known as the “Solar Power Generator (SPG)”, are eligible under this Scheme.</p> <p>The Individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organizations (FPO)/ Water User associations (WUA) can either participate as an SPG or lease their land to the SPGs as per the Land Lease Agreement (LLA).</p> |
| Where can I get the list of 33/11 kV Discom substations proposed under this Scheme? | The list of 33/11 kV Discom substations, proposed under this Scheme, can be accessed at OREDA’s official website (https://oredaodisha.com/). |
| How far is the preferable distance between the Project location and the nearest 33/11 kV Discom substation? | The SPG will be preferably installed within a five km radius of the 33/11 kV Discom substations to avoid the high cost of sub-transmission lines and to reduce transmission & distribution losses. |
| What will be the voltage level of the injection point at 33/11 kV Discom substations? | The Project will be connected at the 11 kV voltage level of the 33/11 kV Discom substation. |
| Is there any MNRE capital subsidy for the installation of SPGs? | No, there is no MNRE capital subsidy for the installation of SPGs. |
| What kind of financial support is available under Component-A of the Scheme? | <p>The energy generated by the SPGs will be purchased by GRIDCO, Odisha, at a pre-fixed levelized tariff of 3.08 INR per kWh as determined by OERC. The duration of PPA will be 25 years from the Commercial Operation Date (COD) of the Project.</p> <p>However, the final PPA tariff will be determined based on the bidding process or E-reverse auction (as applicable).</p> |
| Who will purchase the generated electricity? | GRIDCO, Odisha will purchase energy generated from the Projects. |
| Where can I find the RFP to submit the Bid as an SPG? | OREDA is in the process of publishing an RFP for the selection of SPG. Kindly keep track of the updates posted on the OREDA’s official website (https://oredaodisha.com/), OREDA’s Twitter account (https://twitter.com/OREDA_Odisha), and Tender Wizard website www.tenderwizard.com/OREDA in case you wish to participate as an SPG. |
| How will the selection of SPG be made? | In case the aggregate capacity offered by an SPG is less than or equal to the notified capacity for a particular 33/11 kV Discom substation, OREDA will directly select the SPGs. |

| | |
|---|--|
| | In case the aggregate capacity offered by an SPG is more than the notified capacity for a particular 33/11 kV Discom substation, OREDA will follow the bidding route to select the SPGs. In such cases, the pre-fixed levelized tariff of 3.08 INR per kWh will be the ceiling tariff for bidding. The selection of SPGs will be based on the lowest tariff offered in the ascending order as quoted by the bidders in the closed Bid or e-reverse auction as the case may be. |
| Who will appoint the EPC Contractor and O&M Contractor to develop the solar Project? | The SPG will appoint the EPC Contractor and O&M Contractor. |
| Can I pool the power from multiple land parcels and connect to the nearest 33/ 11 kV Discom Substations? | Yes, you can pool the power from multiple land parcels and connect to the nearest 33/ 11 kV Discom Substation but through a single metering point. |
| Is the SPG responsible for handing over the land parcels in the same condition as it was during the handover process? | After the expiry of the Lease Period, the SPG shall handover the land parcels to the Landowner as it existed previously at the time of this Lease Agreement (subject to normal wear and tear). In such cases, the SPG shall be responsible for the disposal of the Project in accordance with the “e-waste (Management and Handling) Rules, 2011” notified by the Government and as revised and amended from time to time. |
| Who will arrange the financing of this Project? | The SPG will arrange the financing of the Project. |
| Is there any special loan stapled to this Scheme? | No, there is no special loan that is stapled to this Scheme. |
| Where can I get more information about the Scheme? | You can get more information about the Scheme at the following web address: [https://oredaodisha.com] |