



India: Preparing the Solar Park Development and Transmission Sector Project

Project Name	Preparing the Solar Park Development and Transmission Sector Project	
Project Number	49214-001	
Country	India	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8979-IND: Preparing the Solar Park Development and Transmission Sector Project	
	Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility	US\$ 1.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Energy - Energy sector development and institutional reform	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The Solar Park Development and Transmission Sector Project (the Project) will partially fund development of multiple solar parks, consisting of (a) inside-the-park common infrastructure such as transmission lines to connect individual projects to a common pooling point, land leveling, water provision, and fencing; and (b) transmission evacuation from the solar parks to the national grid. The proposed solar parks supported under this Project are Bhadla III (transmission) and Jaisalmer Phase I and II (transmission) in Rajasthan and Jalum (transmission and solar park development) and Sonbhadra/Allahabad/Mirzapur (solar park development) in Uttar Pradesh. The Solar Energy Corporation of India (SECI), the Government of India (GOI) central level nodal agency for solar power development, will form joint ventures with the relevant state agencies to develop the infrastructure within the park, while Power Grid Corporation of India Limited (PGCIL), India's central transmission utility, will build transmission infrastructure to evacuate power from parks to the national grid. Private project developers will be able to obtain plots within a park for a fee and ongoing lease payments.</p> <p>The Project is aligned with GOI targets to increase India's energy security through use of solar energy and reduce India's greenhouse gas emission intensity. The Project's outcome will be increased contribution of solar energy to India's power generation mix. This will be achieved through the following outputs: (i) solar parks developed in Uttar Pradesh and (ii) solar parks in Rajasthan and Uttar Pradesh connected to the grid.</p>	

Project Rationale and Linkage to Country/Regional Strategy

In FY2014-2015 India experienced total energy and peak power deficits of 2.1% and 2.6%, respectively. These figures do not consider the more than 300 million people who remain without access to the electricity grid. India ranked 105th globally in terms of per capita electricity consumption in 2012; with continued industrialization, projected population growth, increased grid access, and increased wealth, required power generating capacity is projected to more than double from its present 276 Gigawatts (GW) in July 2015 by FY2031-2032.

India's power system is dominated by thermal generation from fossil fuels, which have suffered from domestic fuel shortages and high imported fuel prices. GOI has prioritized energy security in planning for the future generating fleet, and has increased its target for installed solar capacity to 100 GW by 2022, a substantial increase from the current installed capacity of 4 GW. The time and expense involved in obtaining suitable land and required clearances have been identified as key barriers to solar expansion in India. The states of Gujarat and Rajasthan sought to address these barriers by developing solar parks, where developers can lease land that has been readied for project development. GOI is targeting 20 GW of the solar target to come from projects in solar parks, and lower tariffs are also anticipated from these projects due to some economy realized for developing a plot that will host several projects and evacuation costs being socialized across the entire transmission network. GOI is also providing capital subsidies for solar park development with an aim to ultimately bring down costs to developers and associated solar power costs. States with sufficient capacity are developing parks through state utilities; others are forming joint ventures with SECI or the private sector for park development and requesting PGCIL to build the evacuation lines. India's solar ambitions, and this project's role in achieving them, could transform the Indian grid and the global market for solar, which has recently experienced drastic price declines.

The project is aligned with the India Country Partnership Strategy 2013-2017, which promotes renewable energy development, particularly solar. The project is also aligned with the Midterm Review of Strategy 2020, which notes that Asian Development Bank (ADB) will continue to invest in renewable energy to reduce local air pollution and mitigate the effects of climate change.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design Project was cleared by the Government of India for Asian Development Bank to undertake due diligence after inter-ministry consultations in 2015.

During Project Implementation Stakeholder consultation is an ongoing process and will be further up during due diligence.

Business Opportunities

Consulting Services The TA will require 10 international consultants for a total of 37 person-months and 9 national consultants for a total of 38-person months. Lump-sum payments and output-based contracts will be considered for consulting services under the TA.

Procurement All procurement under the project will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

Responsible Staff

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Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	23 Oct 2015
Last Review Mission	-
Last PDS Update	30 Mar 2017

TA 8979-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 Oct 2015	10 Feb 2016	10 Feb 2016	31 Aug 2016	24 Jun 2017	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	23 Oct 2015	257,387.81

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