

### MARKETING HEAD OFFICE, RETAIL SALES DEPARTMENT POLICY CIRCULAR NO. 258-10/2017

NO.: RS/6002

DATE: 10.10.2017

### EXTENSION OF DEALER SUBSIDY FOR PROVISION OF SOLAR PV SYSTEM AT KSKs & ROs

#### **ALL STATE RETAIL HEADS**

#### A. BACKGROUND

Solarisation has manifold advantages as a source of energy in our retail network. It is not only a green alternate for power generation *vis-à-vis* the traditional DG set but leads to reduced consumption of hydrocarbon fuels and lowers carbon footprints. It also enables consistent quality of power thus reducing downtime/breakdown expenses and facilitating general improvement in sales at solarised outlets by facilitating more seamless services.

Solarisation also sends out positive message to the customers about IOCL's marketing channels and its commitment to the environment thus boosting the public perception of the Corporation as a responsible business entity.

Despite the above advantages of solarisation, State Offices have been reporting challenges in further implementation on account of the high initial dealer investment, dilution of financial incentives from GOI, with removal of subsidy for commercial projects and revision in accelerated depreciation benefits, and the improving power situation across the country.

In view of the foregoing, Management approval has been obtained for subsidizing the provision of solar PV facility up to a maximum of 5000 Outlets. Statewise allocation of numbers is being provided separately. The dealer subsidy for providing solar PV system at Outlets is aimed at accelerating solar adoption in the IOC dealer network and boosting further proliferation.

Policy guidelines are elucidated below:

#### **B. POLICY GUIDELINES**

### 1. ELIGIBILITY:

All existing ROs & KSKs, both 'A' & 'B Sites, selling an average of 25 KLPM during the preceding 12 months or 300 KL in preceding 12 months, or less, are eligible for availing the subsidy. Thus, if any dealer achieves 300 KL sale in less than preceding 12 months, he/she will automatically become eligible to avail the solar subsidy facility on achievement of target.

#### 2. SUBSIDY METHODOLOGY

A typical solar power generating system primarily comprises three components i.e. solar panel, inverter and battery. Further, solar PV systems can be of two types i.e. 'Off Grid' System (with battery backup) and 'On Grid' System (without battery backup) where the power generated from solar system is fed directly into the grid and offset against unit consumption from the grid power provider.

This policy covers extension of subsidy considering all above components and solar types.

Dealers opting for solarisation subsidy should be asked to associate maximum facilities at the outlet to the solar PV system but necessarily connect all DUs and Yard Lights. Exception will be given if space availability at the outlet is inadequate for the load capacity required but the same will be recorded specifically in the approval.

Scheme of subsidy amount for 'Off Grid' Solar PV system (with battery) is as under:

Table I- 'Off Grid' System (with batteries)

Syst em Cap in KWp	Cost of Solar Panel (in Rs)	Inverter capacity in KVA	Cost of Inverter & Battery (in Rs)	Total Cost of the system	% subsidy proposed for different capacity	Ceiling of subsidy (in Rs) rounded off
3	160000	5	175000	335000	55	185000
-5	260000	5	175000	435000	60	260000
7	365000	10	265000	630000	60	380000
10	510000	10	265000	775000	65	500000
15	760000	15	400000	1160000	65	755000

Scheme of subsidy amount for 'On Grid' Solar PV system (without battery) is as under,

<u>Table II – 'On Grid' system (without batteries)</u>

Syst	Cost of	Inverter	Cost of Inverter	Total	% subsidy	Ceiling of
em	Solar	capacity	(in Rs)	Cost of	proposed	subsidy
Cap	Panel	In KVA		the	for	(in Rs)
in	(in Rs)			system	different	
KWp					capacity	
3	160000	5	87500	247500	55	135000
5	260000	5	87500	347500	60	210000
7	365000	10	132500	497500	60	300000
10	510000	10	132500	642500	65	420000
15	760000	15	200000	960000	65	625000

#### 3. PERIODICITY OF SUBSIDY

- i) Solar Panel Once in dealership tenure.
- ii) Inverter & Batteries for solar PV system Once in 5 years as per modernization subsidy policy in vogue.

#### 4. THE GENERAL SUBSIDY PROCESS

- i) For availing solar subsidy, the solarisation will have to be undertaken through vendors empanelled by IOC Alternate Energy and Sustainable Development (AE&SD) department. While the current list of empanelled vendor is enclosed as an annexure, as the empanelment is dynamic, updated list can be accessed from the IOCL public website or the IOC AE&SD portal from time to time.
- ii) While seeking approval, dealers need to necessarily submit quotation with details of make, model, specifications of components of solar PV system and specific design calculation of solarisation required for the outlet from the empanelled vendor. All components should be conforming to relevant MNRE/BIS/IEC specifications.
- Subsidy amount will be disbursed to the dealers after final completion of job through IOC empanelled vendors and submission of the following:
  - Installation and commissioning report from the solar vendor mentioning,
  - a. Capacity of the solar system installed.
  - b. Make and model of solar panel, inverter and battery along with their installed capacity.
  - c. Certification that all materials and components used in the solar PV system is in conformance with MNRE/BIS/IEC specifications.
  - Photograph of the installed solar PV system.
  - Payment receipt from the vendors.
  - Certification of completion of work by Field Officer and DO Engineer.
- iv) The subsidy amount to be disbursed should be lower of the vendor bill amount multiplied with the % of subsidy applicable OR ceiling amount given in Table I (for Off Grid system) & II (for On Grid system) for the relevant capacity of solar PV system.

#### 5. COMMISSIONING OF NEW KSKs WITH SOLARISATION

All new KSKs to be commissioned with solarisation in following manner:

- i) New KSK dealers, on their specific request, can opt for IOCL soft loan, up to maximum 5 KW solar PV system, as per the prevalent solar loan provisions at the time of commissioning itself or can make their own initial investment.
- ii) Subsidy on solarisation will also be approved at the time of commissioning itself. The subsidy amount to be adjusted against the outstanding loan (in case the dealer has availed the loan) or shall be paid (in case the dealer has made own investment) on the KSK attaining the requisite volume of 300 KL during next 12 months or less.

iii) Other than dispensation on sales and period of operation for loan and prospective approval of subsidy, all procedures and T&C as elaborated in Section 4 and 6 will be applicable for extension of subsidy to KSKs at commissioning stage.

#### 6. OTHER TERMS & CONDITIONS

- The initial subsidy amount availed by dealer under the solar subsidy scheme will not be reckoned in the total amount ceiling under the modernization policy no. 246-11/2016 dated 11.11.2016. However, the subsequent subsidy claims of batteries and inverter for this solar PV system will be released under the general outlet modernization policy and thus the annual subsidy amount ceiling norms will be applicable.
- ii) With respect to the subsequent claim for inverter and battery provided in Para B 3 (ii), it may be noted if the dealer wants to avail subsidy for only inverter for the 'On Grid' solar PV system, the subsidy will be released under prevalent modernization policy but amount will be limited to 50% of that provided for the inverter subsidy in the policy as the battery component is not being purchased.
- iii) The solarisation subsidy will be extended only to dealers who have not availed DG Set subsidy in the last 5 years. Dealers will, however, become eligible for solar subsidy after completion of 5 years from date of availing the DG subsidy.
- iv) For dealers having availed inverter subsidy, the inverter and battery component of cost will be reduced from the amount eligible for the solar subsidy. Dealers will, however, become eligible for inverter subsidy after completion of 5 years from date of availing the inverter subsidy in line with modernization policy in vogue.
- v) The maintenance and repairs of the solarisation system will be undertaken by dealers in case of both 'A' & 'B' sites.
- vi) Dealers opting for the solarisation subsidy will not be eligible for DG Set subsidy.
- vii) The subsidy will not be available for dealers who desire to avail the IOC soft loan facility for provision of solar PV system, except for special provision for KSKs at the time of commissioning.

viii) While providing solar system under subsidy scheme, the dealer should be asked to intimate the Field Officer or Divisional Office in writing/by email with plausible reasons, if the solar system is rendered non operational. Otherwise, recovery as per following schedule to be initiated if the subsequent explanation given by the dealer is not satisfactory:

Year from	% of disbursed subsidy to
date of commissioning	be recovered
1 <sup>st</sup>	100
2 <sup>nd</sup>	90
3 <sup>rd</sup>	80
4 <sup>th</sup>	70
5 <sup>th</sup>	60
6 <sup>th</sup>	50
7 <sup>th</sup>	40
8 <sup>th</sup>	30
9 <sup>th</sup>	20
10 <sup>th</sup>	10
Beyond 10 <sup>th</sup>	No recovery

ix) The recovery shall also be made in case of termination/ closure of outlets. The recovery provision to be specifically included in the subsidy approval letter.

#### 7. APPROVING AUTHORITY & ACCOUNTING

The approving authority for the provision of this facility at the eligible ROs will be with **Divisional Office Retail Head** under DOA 3.05(a).

The expenditure will be met through provisions in revenue budget by the State Offices.

(Rajiv Sharma)

**CGM (Retail Sales)** 

cc - State Heads

cc - ED (RS), HO

cc - ED (F), HO

cc - GM (Vigilance), HO

cc - CGM (IA), HO

cc - CGM, Dir. Mktg. Section, HO



Cate	Category-I (Solar PV Plants of capacity upto 50 KWp): Eastern Region				
S. No.	Name of the Party	e-mail ID Registered on IOCL e- tender portal	Empanelment Valid upto		
1	A. Energys Pvt. Ltd.	varun@atlantaenergy.in	31-Jul-2018		
2	Andromeda Energy Technologies Pvt. Ltd.	knrao@andromedasolar.com	31-Jul-2018		
3	Bluearth Energy Pvt. Ltd.	mukul@bluearth.in	31-Jul-2018		
4	Power One Micro Systems (P) Ltd.	blrmarketing@poweroneups.com	31-Jul-2018		
5	Rajasthan Electronics and Instruments Ltd.	jitendra.kumar@gmail.com	31-Jul-2018		
6	Relyon Solar Pvt. Ltd.	ajinkya.desai@relyonsolar.com	31-Jul-2018		
7	Statcon Power Controls Ltd.	anil_dhar@stat-con.com	31-Jul-2018		
8	Sunshine Power Products Pvt. Ltd.	ujjalmukherjee@sunshinesolar.co.in	31-Jul-2018		



Cate	Category-I (Solar PV Plants of capacity upto 50 KWp): Northern Region					
S. No.	Name of the Party	Login e-mail ID for IOCL e- tender portal	Empanelment Valid upto			
1	A. Energys Pvt. Ltd.	varun@atlantaenergy.in	31-Jul-2018			
2	Andromeda Energy Technologies Pvt. Ltd.	knrao@andromedasolar.com	31-Jul-2018			
3	Bluearth Energy Pvt. Ltd.	mukul@bluearth.in	31-Jul-2018			
4	Central Electronics Ltd.	spv@celindia.co.in	31-Jul-2018			
5	Dashmesh Solar Energy	rahulsachar@live.ca	31-Jul-2018			
6	Elcomponics Technologies India Pvt. Ltd.	krishna.pandey@elcomponics.com	31-Jul-2018			
7	First Green Consulting Pvt. Ltd.	sanjay@firstgreen.co	31-Jul-2018			
8	Granzor Engineerings Pvt. Ltd.	ajay@granzor.in	31-Jul-2018			
9	Jakson Engineers Ltd.	sandeep.chawla@jakson.com	31-Jul-2018			
10	Kirloskar Integrated Technologies Pvt. Ltd.	deepak.palvankar@kirloskar.com	31-Jul-2018			
11	Madhav Infra Projects Ltd.	kiran.kelkar@madhavcorp.com	31-Jul-2018			
12	Multi Overseas India Pvt. Ltd.	kishori@deltapower.in	31-Jul-2018			
13	Novergy Energy Solutions Pvt. Ltd.	enquiry@novergy.net	31-Jul-2018			
14	Omnigrid Micropower Company Pvt. Ltd.	sarraju.n.rao@omcpower.com	31-Jul-2018			
15	Power One Micro Systems (P) Ltd.	blrmarketing@poweroneups.com	31-Jul-2018			
16	Rajasthan Electronics and Instruments Ltd.	jitendra.kumar@gmail.com	31-Jul-2018			
17	Relyon Solar Pvt. Ltd.	ajinkya.desai@relyonsolar.com	31-Jul-2018			
18	Statcon Power Controls Ltd.	anil_dhar@stat-con.com	31-Jul-2018			
19	Su Solartech Systems (P) Ltd.	info@susolartech.com	31-Jul-2018			
20	SunSource Energy Pvt. Ltd.	contact@sunsource-energy.com	31-Jul-2018			
21	Tata Power Solar Systems Ltd.	swarashree@tatapower.com	31-Jul-2018			
22	Topsun Energy Ltd.	cgpatel@topsunenergy.com	31-Jul-2018			



23 Ujaas Energy Ltd.	info@ujaas.com	31-Jul-2018
----------------------	----------------	-------------



Cate	Category-I (Solar PV Plants of capacity upto 50 KWp): Southern Region					
S. No.	Name of the Party	e-mail ID Registered on IOCL e- tender portal	Empanelment Valid upto			
1	Aditi Solar Pvt. Ltd.	spvprojects@aditisolar.in	31-Jul-2018			
2	Alectrona Energy Pvt. Ltd.	visakank@zynergygroup.net	31-Jul-2018			
3	Ammini Solar Pvt. Ltd.	solar@ammini.com	31-Jul-2018			
4	Andromeda Energy Technologies Pvt. Ltd.	knrao@andromedasolar.com	31-Jul-2018			
5	Dev International	dev@devsolar.com	31-Jul-2018			
6	Greeentek India Pvt. Ltd.	kiran@greentekindia.co.in	31-Jul-2018			
7	Hykon India Pvt. Ltd.	vp_office@hykonindia.com	31-Jul-2018			
8	Kirloskar Integrated Technologies Pvt. Ltd.	deepak.palvankar@kirloskar.com	31-Jul-2018			
9	Kripa Telecom	baskar@kripatelecom.com	31-Jul-2018			
10	Madhav Infra Projects Ltd.	kiran.kelkar@madhavcorp.com	31-Jul-2018			
11	ORB Energy Pvt. Ltd.	np.ramesh@orbenergy.com	31-Jul-2018			
12	Photon Energy Systems Ltd.	kvrao@photonsolar.in	31-Jul-2018			
13	Power One Micro Systems (P) Ltd.	blrmarketing@poweroneups.com	31-Jul-2018			
14	Premier Solar Systems P Ltd.	tenders@premiersolar.co.in	31-Jul-2018			
15	Radiant Solar Pvt. Ltd.	info@radiantsolar.us	31-Jul-2018			
16	Relyon Solar Pvt. Ltd.	ajinkya.desai@relyonsolar.com	31-Jul-2018			
17	Solon India Pvt. Ltd.	ramu.vanga@solon.com	31-Jul-2018			
18	Sree Nandhees Technologies Pvt. Ltd.	nagarajancr@sreenandhees.in	31-Jul-2018			
19	Swelect Energy Systems Ltd.	vcr@swelectes.com	31-Jul-2018			
20	VD Swami and Company Pvt. Ltd.	ms.vdswami@vdswami.com	31-Jul-2018			



Cate	Category-I (Solar PV Plants of capacity upto 50 KWp): Western Region					
S. No.	Name of the Party	e-mail ID Registered on IOCL e- tender portal	Empanelment Valid upto			
1	Kirloskar Integrated Technologies Pvt. Ltd.	deepak.palvankar@kirloskar.com	31-Jul-2018			
2	Madhav Infra Projects Ltd.	kiran.kelkar@madhavcorp.com	31-Jul-2018			
3	Relyon Solar Pvt. Ltd.	ajinkya.desai@relyonsolar.com	31-Jul-2018			
4	Topsun Energy Ltd.	cgpatel@topsunenergy.com	31-Jul-2018			
5	Ujaas Energy Ltd.	info@ujaas.com	31-Jul-2018			
6	Waaree Energies Ltd.	tender@waaree.com	31-Jul-2018			
7	Zodiac Energy Pvt. Ltd.	info@zodiacenergy.com;	31-Jul-2018			