

**OFFICE MEMORANDUM**

Subject: - Follow-up on video conferencing with 20 lighthouse cities.

The undersigned is directed to invite attention to the video conferencing held on 13<sup>th</sup> April 2016 at 3:00 PM under the Chairmanship of Secretary (UD) with State Mission Directors/Principal Secretaries (UD) and Municipal Commissioner of 20 winning cities and to convey that after detailed discussions the following was agreed upon:-

- i) Institutional - Special Purpose Vehicle (SPVs) should be incorporated by all cities by 30<sup>th</sup> April 2016.
- ii) Human Resources - Appointment of Key Management Personnel (KMP) (CEO, Company Secretary and CFO) is very important for SPVs to start working. States and Cities, therefore, should appoint CEOs, Company Secretary of SFO immediately. The appointment of CEOs should not be restricted to personnel within the Government only.
- iii) Handholding- Based on demand from States/Cities, MoUD will provide technical support. For all the projects in urban transport, the Smart Cities may use the specifications and standards developed by the UT Division of MoUD and OSD(UT) will provide handholding support. (Contact Person: Sh. Mukund Kumar Sinha, OSD(UT), MoUD. Ph: 011-23061114, email id:osdut-moud@nic.in )
- iv) Training- The MoUD will prepare a training calendar for providing capacity support to CEOs and other personnel.
- v) Convergence-
  - (a) Power- Cities have to revise the DPRs prepared under the IPDS scheme in order to include all works proposed in the Smart City Proposal (Contact Person: Ms. Radhika Jha, IAS, Executive Director, IPDS, PFC Ltd., New Delhi. Tel: 011-23456683, Email:- radhikajha@pfcindia.com).
  - (b)(i) Solar- A note on Solar Energy is enclosed. For speedy execution of the Solar Components, Solar Energy Corporation of India (SECI) has prepared a model bidding document for selection of developers for installation of solar rooftop systems on private buildings. The SECI has also called tenders to engage agencies to install solar energy projects on the rooftops. The States/ Cities have to decide on calling tenders by the SPV or use the agencies empanelled by the SECI. (Contact person: Dr. Ashvini Kumar, Managing Director, Solar Energy Corporation of India, New Delhi. Ph: 011-71989201, Fax: 71989235 Email: ashvinikr@seci.gov.in, ashvini\_sec@yahoo.com).
  - (ii) For Solar Energy Rooftop System on Government buildings, the model bidding document prepared by SECI may be used.

- vi) Peer to Peer learnings - The Smart Cities should learn from the SCPs of other cities and include innovative projects connected with mobile governance, LEDs, multi utility ducts, integrated solid waste management, e-waste.
- vii) Ground breaking for at least 2-5 projects should be done by 25<sup>th</sup> June, 2016- the first anniversary of the Launch of the Smart City Mission.
- viii) City wide sanitation, water supply and inclusiveness - Special efforts should be carried out to make lighthouse cities as open defecation free Cities, clear existing dump sites, integrated solid waste management and rollout affordable housing.
- ix) Funds -  
(a) The States should transfer funds to the SPVs immediately.  
(b) Options for different models of PPPs proposed in the SCPs will be prepared by MoUD and discussed with States/Cities/SPVs soon.



Encl: - As above

**(Prem Parkash)**  
**Under Secretary to the Govt. of India**  
Tel:- 23062951

To

Principal Secretaries (UD)/ State Mission Directors and CEOs/ Municipal Commissioner of 20 winning cities.

**Copy to:**

- (i) JS (SBM)/ JS (AMRUT)/ OSD (UT)/ EA, MoUD, Nirman Bhawan, New Delhi.
- (ii) Ms. Radhika Jha, IAS, Executive Director, IPDS, PFC Ltd., New Delhi.
- (iii) Dr. Ashvini Kumar, Managing Director, Solar Energy Corporation of India, New Delhi.

## Note on Solar Energy

Cities which intend to go for Solar Rooftop Programme on private buildings may take benefit of SECI's tender which can be downloaded from the Mission website. The tender would also cover CAPEX model as well as RESCO model and State-specific rates are being solicited for both the models. These rates would be based on considering Government subsidy at the rate of 30% of the discovered price. The subsidy amount for North-Eastern and some other States is 70% and the same would be considered by the bidders. However subsidy is presently available only for domestic and private institutions (hospitals, educational, etc.). There is no subsidy available for commercial and industrial establishments and Government Buildings. The subsidy disbursement can be done through various models –

- If project is to be implemented by SECI, then subsidy is to be disbursed by SECI.
- If project is to be implemented by Govt. Agency, the subsidy may be disbursed directly by MNRE.
- If project is executed by some agency through State Nodal Agency (SNA), then subsidy is disbursed by SNA.
- There is also a modality devised by MNRE for subsidy disbursement through banks.

SECI charges are 3% of service fee on subsidy component (provided by MNRE directly to SECI) and 5% of the project cost (discovered through open competitive bidding process) are charged by SECI from successful bidders (Solar Power Developers) on the remaining component, under CAPEX and RESCO mode. For example, if there is subsidy of 30% in vogue, and the competitively discovered project cost is Rs. 65/Wp, then Service fee from MNRE to SECI would be Rs. 0.585 ( $65 \times 30 \times 0.03$ ) and SECI shall charge success fee from SPD Rs. 2.275/Wp ( $=65 \times 70 \times 0.05$ ).

For Solar rooftops on government buildings one starting point could be the bidding documents prepared by CPWD. The SECI is also preparing a model RfP, which will be available soon.