

# PM-Kusum scheme

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**In news-** Recently, the Union Minister for Power and New and Renewable Energy has reviewed the progress of implementation of PM-KUSUM and Rooftop Solar Programme Phase-II with States/UTs.

## About PM-KUSUM scheme

- PM-KUSUM refers to Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM KUSUM).
- It was launched by the Ministry of New and Renewable Energy (MNRE) in 2019.
- The scheme **is aimed at ensuring energy security for farmers in India**, along with honouring **India's commitment** to increase the share of installed capacity of **electric power from non-fossil-fuel sources to 40% by 2030 as part of Intended Nationally Determined Contributions (INDCs)**.
- PM-KUSUM was launched for farmers for installation of solar pumps and grid connected solar and other renewable power plants in the country.
- The scheme aims to add solar and other renewable capacity of 25,750 MW by 2022.

## Scheme components

The Scheme consists of three components:

### **Component A-Setting up of 10,000 MW of Decentralized Grid Connected Renewable Energy Power Plants on barren land:**

- Under this component, renewable energy based power plants (REPP) of capacity 500 kW to 2 MW will be setup by individual farmers/ group of farmers/ cooperatives/ panchayats etc
- These power plants can also be installed on cultivable

land on stilts where crops can also be grown below the solar panels.

- The power generated will be purchased by local DISCOM at pre-fixed tariff.

### **Component B- Installation of 17.50 lakh standalone Solar Powered Agriculture Pumps:**

- Under this Component, individual farmers will be supported to install standalone solar Agriculture pumps of capacity up to 7.5 HP for replacement of existing diesel Agriculture pumps / irrigation systems in off-grid areas, where grid supply is not available.
- Pumps of capacity higher than 7.5 HP can also be installed, however, the financial support will be limited to 7.5 HP capacity.

### **Component C-Solarisation of 10 Lakh Grid Connected Agriculture Pumps:**

- Under this Component, individual farmers having grid connected agriculture pumps(7.5 HP) will be supported to solarise pumps.
- The farmer will be able to use the generated solar power to meet the irrigation needs and the excess solar power will be sold to DISCOMs at pre-fixed tariff.

### **Central Financial Assistance / State Government Support**

- **Component-A:** Procurement Based Incentive (PBI) @ 40 paise/kWh or Rs. 6.60 lakhs/MW/year, whichever is less, will be provided for the first five years by MNRE to DISCOMs, for buying the power from farmers/developers.
- **Component-B & C:**
  - CFA of 30% of the benchmark cost or the tender cost, whichever is lower. State Government subsidy 30%; Remaining 40% by the farmer.

- In North Eastern States, Sikkim, J&K, Himachal, Uttarakhand, Lakshadweep and A&N Islands, CFA of 50%, State Government subsidy 30%, Remaining 20% by the farmer.

## **Implementation**

State Nodal Agencies (SNAs) of MNRE are coordinating with States/UTs, Discoms and farmers for implementation of the scheme.

## **Recent amendments to the scheme**

The Ministry of New and Renewable Energy has issued following amendments/clarifications in the Scheme Implementation Guidelines:

### **The amendments/ clarifications in Component-A are:**

- Besides barren, fallow and agricultural land, solar power plants can also be installed on pastureland and marshy land of farmers.
- To support small farmers, the solar power projects smaller than 500 kW may be allowed by States based on techno-commercial feasibility.
- The selected Renewable Power Generator (RPG) shall commission the solar power plant within twelve months from date of issuance of Letter of Award (LoA).
- There shall be no penalty to RPG for shortfall in solar power generation from minimum prescribed Capacity Utilization Factor (CUF).

### **Amendments/clarifications for Component-B**

- MNRE will retain 33% of eligible service charges for nation-wide Information, Education and Communication (IEC) activities.
- The ministry may release 50% of eligible service charges for the sanctioned quantity after placement of LoA for

preparatory activities.

- It is now decided to allow the joint venture of the manufacturer of solar pump/solar panel/solar pump controller with integrators in the Centralised tender.
- As part of amended guidelines a separate bid price for solar water pumping system with Universal Solar Pump Controller (USPC) will be invited and subsidy will be made available for these pumps.

### **Amendments/clarifications for Component-C**

- The Ministry order says, “MNRE may release 50% of eligible service charges for the sanctioned quantity after placement of LoA for preparatory activities.
- Now it has been clarified by the Ministry that for grid connected pumps used by Water User Associations /FPOs/ PACS or for cluster based irrigation system, the CFA will be allowed for solarisation of pump capacity higher than 7.5 HP considering upto 5 HP capacity for each individual in the group.