

**No.: 318/17/2024-Grid Connected Rooftop (Part-1)**  
**Mission Directorate, PM-Surya Ghar: Muft Bijli Yojana**  
**Ministry of New and Renewable Energy**  
**Government of India**  
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**Atal Akshay Urja Bhawan**  
**Lodhi Road, New Delhi-110003**  
**Dated: 09.08.2024**


**Office Memorandum**

**Subject: Operational Guidelines for Implementation of Component "Model Solar Village" under PM-Surya Ghar: Muft Bijli Yojana**

This refers Ministry's order No. 318/17/2024-GCRT Division dated 16<sup>th</sup> March 2024 vide which sanction was issued for the PM-Surya Ghar: Muft Bijli Yojana, aimed at installing rooftop solar plants in one crore households, with a total financial outlay of Rs. 75,021 crore.

2. The Operational Guidelines for Implementation of Component "Model Solar Village" under PM-Surya Ghar: Muft Bijli Yojana is enclosed.

3. This issues with the approval of competent authority.

  
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To

1. Secretary, Ministry of Cooperation
2. Secretary, Ministry of Panchayati Raj
3. Secretary, Ministry of Power
4. Secretary, Ministry of Rural Development
5. ACS/Principal Secretaries/Secretaries (Renewable Energy/Energy/Power) of all States/ UTs
6. CMDs/MDs of Discoms/State Nodal Agencies of all States/UTs

**Copy for information to:**

1. PS to Hon'ble Minister of New & Renewable Energy
2. PS to Hon'ble Minister of State of New and Renewable Energy
3. PPS to Secretary/AS/JS/JS&FA, MNRE
4. All Advisers & Group Heads
5. Director (NIC) for uploading on Ministry's website

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# Guidelines for PM Surya Ghar: Muft Bijli Yojana

## Model Solar Village

### 1. Background and Scope

- 1.1 The Government of India has approved the PM Surya Ghar: Muft Bijli Yojana on 29<sup>th</sup> February, 2024 to increase the share of solar rooftop capacity and empower residential households to generate their own electricity. The scheme has an outlay of Rs 75,021 crore and is to be implemented till FY 2026-27. The administrative approval was granted to the scheme vide Order No. 318/17/2024-Grid Connected Rooftop dated 16<sup>th</sup> March, 2024.
- 1.2 These Guidelines relate to the scheme component for Model Solar village. This component aims to create one Model Solar Village in each District of the country.

### 2. Objectives

- 2.1. The objectives of this scheme component for Model Solar Village are as follows:
- a. Solarize one village per District and promote uptake of solar rooftops in India.
  - b. Promote green and clean energy access to electricity in the villages.
  - c. Empower village communities to become more self-reliant in meeting their energy needs and help them save money on energy bills by generating electricity locally and reducing reliance on utility companies.
  - d. Develop 24x7 solar-powered village covering all the households and public areas that acts as a model for other villages to follow.
  - e. Promote technologies like solar-based home lighting systems in all households, solar based water system in the village, solar pumps for agricultural purposes and the

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installation of solar streetlights covering village roads and common village infrastructure.

**3. Outlay**

An amount of ₹ 800 crore has been allocated for this component with a provision of central financial assistance of ₹ 1 crore per model village.

**4. Criteria for eligibility for consideration as a Model Solar Village**

To be eligible for consideration as a Model Solar Village, the village must fulfill the following criteria:

The village must be a revenue village with population size of more than 5,000 as per the latest published Census. However, in case of special category States (States/UTs of Uttarakhand, Himachal Pradesh, J&K, Ladakh, States in the North East including Sikkim, UTs of A&N and Lakshadweep), revenue villages with population size of more than 2,000 as per the latest census would be eligible.

**5. Implementation**

The Scheme shall be implemented by an Agency which shall be the State Renewable Energy Development Agency of the concerned state or in its absence, any other entity nominated by the State/UT Government.

**6. Selection of Model Solar Village**

- 6.1 The selection of the village to be considered as a Model Solar Village shall be undertaken in the challenge mode. Under this mode, villages in a district shall be mobilized for installing distributed solar installations especially under PM Surya Ghar: Muft Bijli Yojana and other government schemes such as PM-KUSUM. After the challenge period is over, the villages will be assessed on the total distributed RE capacity installed within the revenue border of the village and the village with the

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highest capacity (cumulative) in the village boundary shall be chosen as the Model Solar Village for that district.

- 6.2 The Scheme envisages constitution of a District Level Committee (DLC) for overall monitoring and coordination for smooth implementation of the scheme at the District level. For the implementation of the Model Solar Village competition, this District Level Committee may firstly identify candidate villages in the District that are eligible to be considered as a Model Solar Village. These candidate villages shall then compete during the competition period against each other for selection as the Model Solar Village of the District.
- 6.3 In order to streamline the competition, the DLC may opt to identify potential candidate villages from among the eligible villages on the basis of feasibility of implementation of rooftop solar, community mobilization and interest, applications by interested Panchayats etc. and these potential candidate villages shall then compete during the competition period against each other for selection as the Model Solar Village of the District.
- 6.4 After the identification of these villages, the competition period shall start and an extensive mobilization exercise will be carried out in these villages under the leadership of the respective Panchayats. This would include reaching out door to door to prospective beneficiaries of the PM Surya Ghar scheme, planning solar installations through convergence of other government schemes and raising awareness among the people of the Panchayat. The Panchayat shall also aim to leverage available vendor networks and connect prospective beneficiaries to banks in order to maximize solar technologies adoption in general and rooftop solar adoption under the scheme in particular. The DLC may advise constitution of village level task forces for mobilizing

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the local community and these task forces may be led by the panchayat secretary of the respective panchayat.

6.5 During the mobilization exercise, the respective Panchayats/Cooperatives/SHG groups and other collectives can participate in mobilization activities and attempt to maximize the deployment of RE in the village by promotion of adoption of PM Surya Ghar: Muft Bijli Yojana, PM-KUSUM scheme or otherwise.

6.6 The DLC can converge funds from other sources such as Corporate Social Responsibility, Departmental funds, District level funds etc. to maximize RE deployment in these villages.

6.7 The competition period shall be considered to be 6 months after the declaration of the potential candidate villages by the DLC. After the competition period, the Agency will finally carry out an assessment exercise to assess the overall distributed renewable energy (RE) capacity deployed within the village boundary of each potential candidate village. Such distributed RE capacity would consist of rooftop solar installations, ground mounted small scale RE under PM KUSUM or standalone RE installations of capacity less than 10 MW at a single site.

6.8 The village with the maximum overall RE capacity deployed within its revenue boundaries as per the assessment exercise, (achieved with or without Governmental scheme support), shall be selected as the Model Solar Village for the District.

## **7. Central Financial Assistance**

7.1 Each Model Solar Village shall be eligible for a grant of Rs 1 crore as Central Financial Assistance.

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- 7.2 Once the Model Solar Village has been selected, the State Renewable Energy Development Agency or in its absence, any other entity nominated by the State/UT Government shall act as the Model Solar Village Implementing Agency (MSVIA). The MSVIA shall develop a Detailed Project Report for transitioning the village to a solar powered village. In this DPR, the Agency can choose any mix of RE technologies based on local context and potential to utilize the Central Financial Assistance provided under the scheme. The Agency may also create a potential RE plan for the villages by maximizing deployment of RE in the village in the Government buildings.
- 7.3 Public projects can be supported up to 100% of the project cost. However, in case the projects are for supporting collectives (self-help groups, primary level cooperative societies (PACS, Dairy, Fishery etc) and others) in the village, a contribution from the beneficiary collective of at least 10% shall be taken in order for the CFA benefits to be extended to them. No individual beneficiaries can be included for CFA support under the project DPR for Model Solar Village.
- 7.4 The projects that may be included in the DPR may include
- a) Community Solar Plant (with or without battery storage)
  - b) Solar powered equipment for Livelihood generation by SHG groups under NRLM
  - c) Government Building Rooftop Solar Plants
  - d) Solar based public lighting
  - e) Solar Agri-PV Pump
  - f) Other Solar powered RE technologies
- 7.5 The MSVIA may consult with the local Gram Panchayat and other relevant stakeholders during the formulation of the DPR for the village.

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- 7.6 Assets created through the grant under the scheme should be owned and operated entirely by the panchayat or the community collectives.
- 7.7 The MSVIA may augment funds received through CFA by additional grants from the State/UT governments or additional borrowings from banks etc. as per existing financial norms for the entity concerned.
- 7.8 The DPR should include settlement mechanisms with the DISCOMs including power purchase agreements, settlement of net and gross metering based electricity generation, augmentation of distribution infrastructure and other possible components required to make the village a Model Solar Village.
- 7.9 The funds should be used to make the village self-sufficient for all electricity needs on a 24x7 basis to the extent possible. This may include meeting the power requirements of agricultural, residential, commercial and Government sectors. In case the mobilized funds are insufficient, the village should strive to achieve net zero status for electricity needs, i.e. electricity generated from RE sources placed equivalent to the electricity consumed by the village on an annualized basis.
- 7.10 The DPRs of the District shall be implemented by the MSVIA after obtaining approval of the District Level Committee.
- 7.11 The DLC shall supervise and monitor the implementation of the DPR on a regular basis in order to ensure the complete implementation of the projects under the DPR within one year of its approval.

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## **8. Release of Funds**

8.1 The CFA shall be released to the MSVIA on the basis of a requisition to the National Program Implementation Agency. The PM Surya Ghar National portal will be enabled to ensure ease of submission of necessary documents for raising of fund requisition requests and processing of these claims by the NPIA.

8.2 The amount of CFA shall be released to the MSVIA are as follows:

- a) 40% of CFA at time of award of all works in the DPR
- b) 40 % of CFA after completion of all works undertaken in the DPR and after certification to that effect by the DLC
- c) 20% of CFA after at least 6 months of operation of all works undertaken

8.3 Expenditure shall be incurred within 6 months of release of each instalment and the subsequent instalment shall be released subject to utilization of the earlier instalment.

8.4 The Implementing agency will remit the accrued interest and other charges to Consolidated Fund of India as per Rule-230(8) of GFRs 2017.

## **9 Amendment**

MNRE may make necessary amendments in the guidelines or issue any clarification to remove difficulties in the implementation of the scheme, as and when required, with the approval of the Hon'ble Minister of New and Renewable Energy.

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