

#### PRESS INFORMATION BUREAU

( Research Unit )
Ministry of Information and Broadcasting
Government of India



# **Frequently Asked Questions**

#### PM KUSUM

## Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan Yojana

(Ministry of New and Renewable Energy)

June 17, 2022

#### 1. What is the PM KUSUM scheme?

<u>PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan)</u><sup>1</sup> scheme was launched on <u>February 19, 2019</u><sup>2</sup> with the objective of providing energy and water security to farmers, enhance their income, de-dieselise the farm sector and reduce environmental pollution.

# 2. What are the different kinds of systems supported under the PM-KUSUM Scheme?

PM-KUSUM scheme supports three different kinds of installations, known as three components of the scheme as given below:

- **Component-A:** 10,000 MW of decentralized ground mounted grid connected renewable power plants of individual plant size up to 2 MW.
- **Component-B**: Installation of 20 lakh standalone solar powered agricultural pumps
- Component C: Solarisation of 15 lakh existing grid-connected Agriculture pumps.

#### 3. What is Component-A of PM-KUSUM Scheme?

Under this component, solar or other renewable energy-based power plants of capacity 500 kW to 2 MW can be installed on barren or uncultivable agriculture land. Agriculture land is also permitted under this scheme, provided that solar plants are installed in slit fashion (i.e., raised structure for installation of solar panels) and with adequate spacing between panel rows for ensuring that farming activity is not affected.

# 4. Who is eligible under Component-A of PM-KUSUM Scheme?

Individual farmers / group of farmers / cooperatives / panchayats / Farmer Producer Organisations (FPO) / Water User associations (WUA) will be covered under this component. The land on which the project is proposed to be installed should be within 5 km from the nearest electricity sub-station.

<sup>2</sup> https://www.pib.gov.in/PressReleasePage.aspx?PRID=1565274

<sup>&</sup>lt;sup>1</sup> 8065c8f7b9614c5ab2e8a7e30dfc29d5.pdf (mnre.gov.in)

# 5. Can farmers lease their land for the development of renewable energy power plant under Component-A?

Yes, farmers can either install renewable power project on their land or lease the land on rent to a developer at mutually agreed terms between the parties.

## 6. What kind of financial support is available under Component-A of the Scheme?

The renewable power generated will be purchased by DISCOMs at a pre-fixed levelised tariff. The duration of PPA will be 25 years from Commercial Operation Date (COD) of the project. Procurement based incentive (PBI) of 40 paisa per unit of electricity generated or Rs. 6.6 lakh per MW per annum, whichever is lower, will be provided to DISCOM for buying electricity generated for five years.

## 7. What is Component-B of PM-KUSUM Scheme?

Under this Component, farmers can replace their existing diesel-powered agriculture pumps with standalone solar pumps of capacity up to 7.5 HP in off-grid areas. Pumps of capacity higher than 7.5 HP may be allowed. However, the central subsidy will be limited to the subsidy applicable for pump of 7.5 HP.

### 8. Who is eligible under component-B of PM-KUSUM?

Individual farmers, water user associations and community / cluster-based irrigation system will be covered under this component.

## 9. What is Component-C of PM-KUSUM Scheme?

Under this Component, farmers can solarize their existing grid connected agriculture pumps of capacity up to 7.5 HP. Solar PV capacity up to two times of pump capacity in kW is allowed under the scheme. However, States may choose to allow lower solar PV capacity, which in no case will be less than pump capacity in HP. 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.

#### 10. Who is eligible under component C of PM-KUSUM?

Individual farmers, water user associations and community / cluster-based irrigation system will also be covered under this component.

# 11. Is there any subsidy for the installation of solarisation of pump?

For all states except for North-eastern States, Hill States/UTs and Island UTs, subsidy of 30%, each by Central and State Governments will be provided, and the remaining 40% will be invested by the farmer for solarization of existing pumps. Subsidy in percentage mentioned above is applicable on benchmark cost or tender cost, whichever is lower. For North-eastern States, Himachal Pradesh, Uttarakhand, Jammu and Kashmir/Ladakh and Island UTs, subsidy of 50% will be provided by Central Government and at least 30% will be provided by the State Government for solarization of existing pumps. Farmer will have to invest balance 20%.

## 12. What are the achievements under various components of PM-KUSUM?

**Under Component-A**, 36 MW has been cumulatively installed in Rajasthan (21.5 MW) and Himachal Pradesh (14.5 MW). Approximately 1070 MW of LOA have been issued by the states of Rajasthan, Himachal Pradesh, Madhya Pradesh, Haryana, Maharashtra and, Uttar Pradesh. Other States are at different stages of implementation including identification of distribution sub-stations, determination of tariff of solar power to be sold to DISCOMS, inviting applications, etc.

**Under Component-B**, State implementing agencies issued LoA to selected vendors for installation of over 95000 pumps. Due to COVID -19, progress was slow during the first half of 2020-21 but thereafter installation has gathered pace and, up to 31.03.2022, over 94,000 solar pumps have been reported installed in the fields.

**Under Component-C**, Rajasthan successfully completed solarisation of 1026 pumps and issued LoA for individual pump solarisation of around 10000 existing grid connected pumps. Gujarat has issued LoA to 4 agencies and allocated feeders for social engineering. West Bengal has issued LoA for 5.25 MW capacity for 700 pumps. Other states are at different stages of implementation including identification of feeders, determination of tariff of surplus solar power to be sold to DISCOMS, inviting applications, etc.

(as on March 31, 2022)

#### **References:**

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**Source:** <a href="https://pmkusum.mnre.gov.in/landing-faq.html">https://pmkusum.mnre.gov.in/landing-faq.html</a>

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