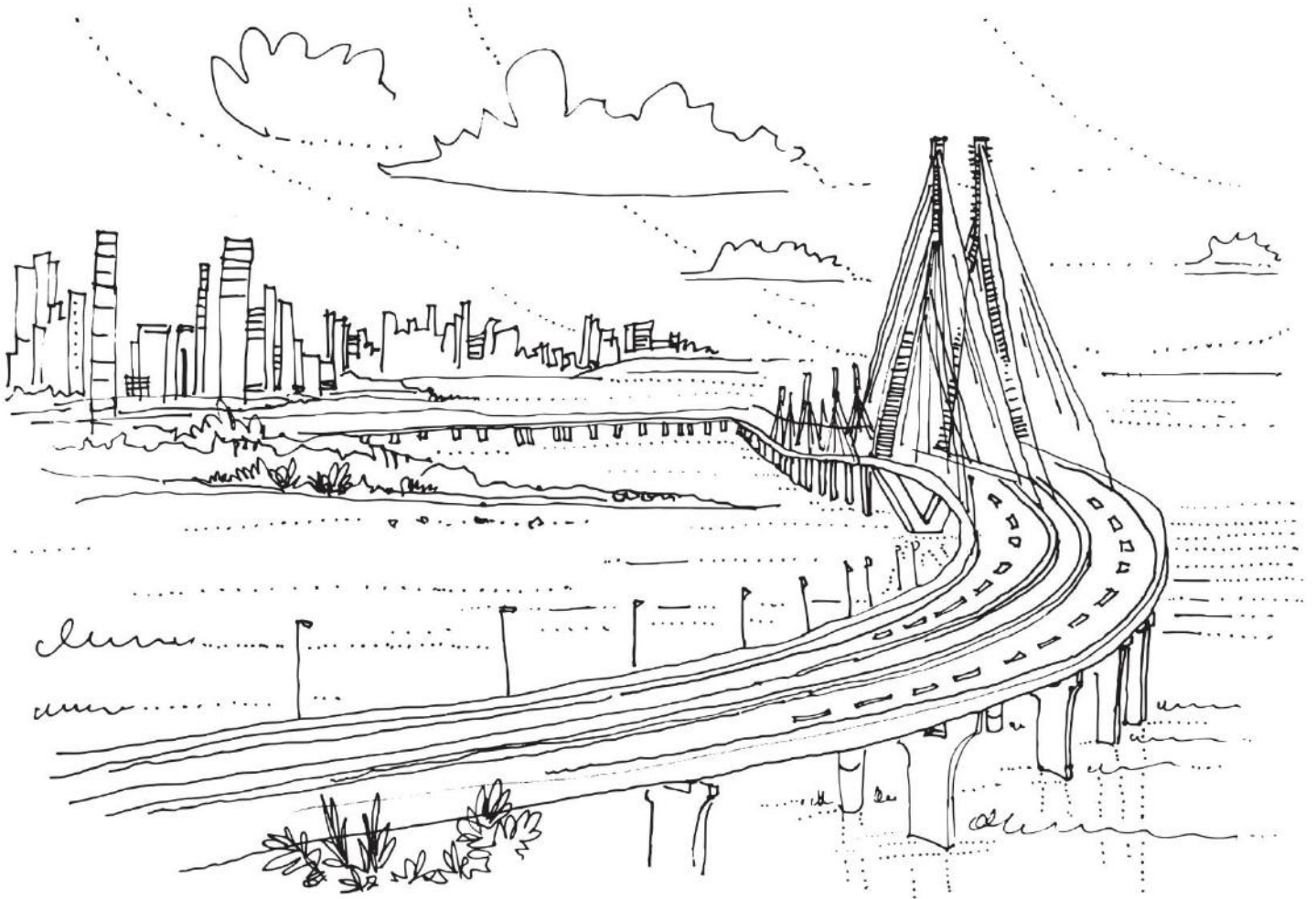




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Infrastructure and Energy Digest

Overview of Legal and Regulatory Developments

DECEMBER 2018

ENERGY



GENERAL

Strategy for New India – Proposed Energy Sector Reforms

On December 19, 2018, the Niti Aayog released a document titled the 'Strategy for New Indian @ 75' (Strategy). The Strategy defines objectives for establishing a New India by 2022 and covers a diverse range of 41 areas. The document identifies progress made thus far, the challenges that remain and the binding constraints in the specific sector. Based on this analysis, the Strategy has made recommendations with a view to achieve the stated objectives.

Our View: We believe that the Strategy is a step in the right direction. However, it would be important to see the manner in which the legislature adopts the recommendations made by Niti Aayog in order to facilitate the vision of a New India by 2022. Further, whilst the broad suggestions seem to be progressive, it is important that the legislature bear in mind the stress that the energy sector is currently witnessing and take immediate measures to promote holistic development of the sector. We have set out below, certain key provisions of the Strategy with regards to India's energy sector.

As per the Strategy, the principal aim of the Government's policies in respect of the energy sector is "to provide access to affordable, reliable, sustainable and modern energy". The Government intends to make available 24x7 power to all by 2019 and achieve 175 GW of renewable energy generation capacity by 2022. Noting the challenges presently faced by various sub-sectors in the energy sector, the Strategy identifies the following constraints, and corresponding recommendations, for achieving the milestones set for 2022-23:

Constraints	Recommendations
<ul style="list-style-type: none"> ▪ Regarding the sector <ul style="list-style-type: none"> ➤ Variety of subsidies and taxes that distort the energy market and promote the use of inefficient fuels ➤ Energy taxes are not covered under GST, as a result of which no input credit is given, which makes Indian exports and domestic production uncompetitive ▪ Power <ul style="list-style-type: none"> ➤ Efficient plants are underutilised, and old inefficient plants continue to operate ➤ High aggregate technical and commercial losses leading to significant gap between the average cost of supply and average revenue realised; in order to counter such gaps, the distribution companies (Discoms) resort to load shedding which leads to a lot of hidden demand in the market ➤ Inability of regulatory commissions to fully regulate Discoms and fix rational tariffs ➤ Inability of state power utilities to invest in system improvements due to poor monetary condition ➤ High industrial and/or commercial tariff and the cross-subsidy regime, which affects competitiveness of the industrial and commercial sectors ▪ Oil & Gas <ul style="list-style-type: none"> ➤ Discriminatory access for private and public sector companies to the gas pipeline network ➤ Lack of market-driven gas prices for old fields, which disincentivises further production 	<ul style="list-style-type: none"> ▪ Overall Energy <ul style="list-style-type: none"> ➤ Oil, natural gas, electricity and coal may be brought under GST to enable input tax credit. Further, it is recommended that in order to offer a level playing field, the same GST rates should be prescribed for all forms of energy ➤ All form of subsidies should be provided as functional subsidies to end-consumers to enable them to choose the energy form most suitable and economical to them ▪ Power <ul style="list-style-type: none"> ➤ Promote smart grid and smart meters (consistent with the amendments proposed to the Electricity Act, 2003) ➤ All PPAs, including those with state generation companies, should be based on competitive bidding ➤ Introduction of a capacity market to encourage flexible capacity for peak demand and intermittency ➤ Reduce AT&C losses by privatizing state distribution utilities and/or the use of a franchisee model ➤ Adopt a franchisee model by Discoms for retail business in rural areas and stipulating a minimum level of performance parameters, including the use of decentralized generation sources and storage systems for local reliability and resilience ➤ Strengthen regulatory bodies need to enhance independence ➤ Consider fining Discoms for load shedding. ➤ Effective enforcement of a cap on cross-subsidy and open access, and removal of high open access charges

- Woefully inadequate gas pipeline infrastructure
 - **Coal**
 - Land for coal mining is emerging as a major issue, which is further aggravated by a tendency to expand opencast mining and discourage underground operation even for better quality coal reserves
 - Lack of a competitive coal market
 - **Renewable Energy**
 - High energy costs resulting in defaults on old power purchase agreements (PPAs), which further erodes their sanctity and leads to uncertainty regarding power offtake and, consequently, endangers further investments
 - Flexibility in generation and balance requirements for the integration of renewable energy
 - Supply chain issues in biomass power generation
 - **Energy Efficiency**
 - Measures to achieve energy efficiency have been adversely affected by limited technical capabilities, high initial capital expenditure, limited market and policy issues
 - High transaction costs (involving appointment suitable consultants and vendors for execution) relative to project size, especially in the micro, small-scale and medium enterprises (MSME) sector, which reduce the attractiveness of energy efficiency investments for investors
 - Non-availability of sufficient credit facilities and difficulties in obtaining required finances for energy saving projects
- Introduction of performance-based incentives in the tariff structure
 - Actively promoting cross-border electricity trade to utilize existing and/or upcoming generation assets
 - Introduction of time-of-day tariff to promote the use of renewable energy
 - 100% metering, net metering, smart meters, and metering of electricity supplied to agriculture to manage the demand for power
 - **Oil & Gas**
 - Provide a common carrier and open access to gas pipelines
 - Establish a National Gas Grid and segregate the developmental and regulatory functions of the PNGRB
 - Introduce flexibility in contract terms in order to make stranded oil and gas assets functional
 - Enhance production from the existing fields of ONGC and OIL using cutting-edge technology through a framework of production enhancement contracts
 - Consider market pricing for blocks that are not viable because of low gas pricing
 - Provide shared infrastructure for evacuation of oil and gas from small and scattered onshore and offshore fields
 - Provide viability gap funding/financial assistance for 2G ethanol project developers/technology partners
 - Create strategic reserves through various policy options
 - **Coal**
 - Expeditiously complete the detailed exploration through exploration-cum-mining leases based on production and/or revenue sharing model and take steps for speedy operationalization of commercial coal mining
 - Make state governments responsible for land availability for mining
 - **Renewable Energy**
 - Introduce a mechanism for cost-effective power grid balancing (gas-based, hydro or storage)
 - Strictly enforce renewable purchase obligations (RPO) and facilitate inter-state sale of renewable energy
 - Central level agencies like Central Electricity Regulatory Commission or National Load Despatch Centre are to socialize the costs of balancing interstate transmission systems (ISTS) connected power plants, over the entire system, on the lines of the point of connection (PoC) or a similar mechanism
 - Explore hybrid renewable energy systems such as solar PV + biomass
 - Promote commercial biogas by providing subsidy to consumers

▪ Energy Efficiency

- Bureau of Energy Efficiency should be directed to prepare a white paper on its five-year strategy on energy efficiency in various sectors and specify energy consumption norms
- Empower State designated agencies and provide adequate resources to implement EE related programmes
- Promote greater participation of energy service companies (ESCOs) using appropriate financing models with a risk sharing mechanism, particularly by public sector banks
- States should adopt the second version of the Energy Conservation Building Code (ECBC) in their building by-laws and ensure faster implementation
- Widen the perform, achieve and trade (PAT) programme and take steps to make the Energy Saving Certificate (ESCert) trading under the PAT scheme effective by ensuring strict penalties against defaulters
- The Forum of Regulators and State Electricity Regulatory Commissions (SERCs) should provide for lower heat rate requirements for new power stations
- Old and inefficient plants consuming more than the threshold energy should be retired in a phased manner
- Covert public transport systems to electric systems in a time bound manner

New EV Charging Station Guidelines issued by Ministry of Power

The Ministry of Power (MoP) has issued the guidelines and standards for India's charging infrastructure for electric vehicles (EVs) on December 14, 2018 with the goal to facilitate the widespread adoption of EVs in the country.

Objectives:

By implementation of these guidelines, the government aims to enable faster adoption of EVs, promote an affordable tariff rate, support the development of EV charging business throughout the country, generate employment/income opportunities, and to encourage preparedness of electrical distribution system.

To achieve these goals, the following measures have been announced:

- Private charging stations will be permitted at residences, and Discoms are required to facilitate the same.
- Setting up public charging stations (PCS) will be a de-licensed activity and any individual is free to set up public charging stations, provided that such stations meet government's technical as well and performance standards.
- Prioritising provision of connectivity by the Discom licensee to supply power in the area in case an individual applies for permission to set up a public charging station.
- Any charging station may also obtain electricity from any generation company through open access protocols.

Highlights:

- The government plans to roll out the development of EV charging infrastructure in two phases. In the first phase, EV charging stations are to be developed over the next one to three years in mega cities with populations of four million and above. In the second phase, cities such as state capitals and union territory headquarters will be covered for distributed and demonstrative effect. Further, important highways connected with each of these mega cities will be taken up for coverage in the next three to five years.
- The guidelines also provide a list of minimum infrastructure requirements for a charging station for both light as well as heavy vehicles that may require charging infrastructure for long distance travel.
- The government plans to deploy charging in a grid pattern of three km X three km. Further, one charging station will be set up at 25 km intervals on both sides of selected roads. According to the guidelines, the tariff for the supply of electricity to EV charging stations will be determined by the appropriate commission, provided that the tariff is not more than the 15% above the average cost of supply. The state nodal agency will be responsible to fix the ceiling of the service charges levied by the PCS.

Our View: These guidelines are expected to bring clarity to consumers and businesses such as EV charging station providers and equipment manufacturers in creating their respective development strategies. This new move by the government is in line with the previous policies that have been framed for the EV sector. This is expected to boost the participation of additional private players to create a nationwide EV charging station infrastructure.

CERC Order: Land Procurement Delay caused by Government to be treated as Force Majeure

The Central Electricity Regulatory Commission (CERC) has issued an order dated December 17, 2018 extending the scheduled commercial operating date for 72 MW of grid-connected solar photovoltaic projects. CERC was examining a petition filed by Welspun Energy Private Limited (WEPL) against the SECI.

WEPL had requested that CERC:

- Restrains SECI from terminating the PPA;
- Extend the scheduled commercial operating date and the time-period for conditions subsequent for the force majeure conditions; and
- Direct SECI to permit the assignment of the PPA to Giriraj Renewable Private Limited

The background of the case is as follows:

In 2016, SECI issued a letter of intent to Welspun Renewable Energy (WRE) to develop 100 MW of grid-connected solar. The project was built on a build-own-operate basis, with viability gap funding (VGF) in Maharashtra under Phase-II Batch-III of the National Solar Mission.

WRE had requested SECI to allow WEPL to execute the PPA with SECI. On April 7, 2016, WEPL submitted a performance bank guarantee of INR 300,000,000 and applied for grid-connectivity with Maharashtra State Electricity Transmission Company Limited (MSETCL) shortly after.

At the time, no provision existed regarding the request for selection or the guidelines for PPA execution and implementation of the project by the parent company of a bidder. After WEPL approached the commission, the MNRE referred the matter to the Empowered Committee.

The Empowered Committee recommended a change in the provisions of PPA signing by amending the then present guidelines vide amendment dated July 19, 2016. The PPA was executed on July 26, 2016, between WEPL and SECI, effective from April 10, 2016.

In September 2016, WEPL communicated to SECI that it was not in a position to execute the project and requested for the release of its performance bank guarantee. In November 2016, SECI asked WEPL to comply with the terms of the PPA and to deposit extension charges for the delay period by November 14, 2016.

When WEPL failed to respond, SECI wrote to the concerned bank for the encashment of the performance bank guarantee. The firm promptly deposited INR 19,000,000 with SECI and the encashment of the performance bank guarantee was kept on hold.

SECI issued another notice in March 2017. Upon receipt of the same, the firm requested for the assignment of the PPA to Giriraj Renewable Private Limited (GRPL) in terms of Article 15 of the PPA. WEPL requested extension of time and sent a cheque of INR 65,000,000 (Indian Rupees sixty-five million) which was returned by SECI. SECI also informed the company that the PPA had automatically terminated with the efflux of time.

After examining submissions made by both SECI and WEPL, CERC opined that the financial closure and grid connectivity stand fulfilled within the extended period, and that the delay in land possession was caused due to government delay which can be treated as force majeure.

CERC condoned the delay by the company from October 4, 2016 to June 9, 2017, due to force majeure conditions. CERC also stated that 28 MW of projects had already been installed, synchronized and commissioned. For commissioning of the remaining capacity of 72 MW, the commission extended the date up to 90 days from date of issue of its order. The new deadline was stipulated as March 17, 2019.

Our view: Delays in handover of site is an unfortunate and common feature of infrastructure projects in India and is one of the most cited reasons for delays in project completion and abandonment. Private developers often decry that agreements with authorities do not adequately protect them from the fallout of such delays, even though developers have no control over this issue. This decision, therefore, indicates how relief could potentially be sought in such a scenario.

CERC Order on GST as Change in Law for Transmission Service Providers

The CERC has issued an order dated December 17, 2018, on a suo-motu proceeding in Petition No. 01/SM/2018 against Goods and Services Tax (GST) stating that the introduction of GST that came into effect from July 1, 2017 will constitute a “Change in Law” event for the transmission service providers in India.

The order which has been issued by the CERC in the backdrop of

- “Tariff Based Competitive Bidding Guidelines for Transmission Services” notified by the Central Government on April 17, 2006 and amended from time to time, in terms of which, transmission service providers have to enter into Transmission Service Agreements (TSA) with the Long-Term Transmission Customers (LTTCs); and
- Article 12 of the Model TSA notified by the Ministry of Power which provides for grant of relief in the form of adjustment of tariff to the transmission service providers or to the LTTCs on account of “Change in Law”, pertains to the matter of additional tax burden on transmission licensees due to the introduction of GST compensation cess.

Key Analysis of the decision of the CERC

- The suo - motu petition was initiated to assess and determine the principles to be adopted for allowing “change in law” in respect of the projects where “cut-off date” which is 7 days prior to the bid deadline, occur on or before June 30, 2017.
- The CERC had, vide its former order dated January 10, 2018, directed all the transmission service providers in India to furnish information on affidavit on the nature of taxes/duties, rate of tax/duty on the respective cut-off date, changes in rate of taxes/duties from cut-off date till June 30, 2017 (pre-GST), rate of taxes/duties as on July 1, 2017 and changes, if any, in taxes/duties since July 1, 2017.
- The CERC asserted, after a careful examination of the details furnished by the transmission service providers and pertaining, in particular, to GST on various heads (namely, payment of ROW, tax on import duty on aluminium products, tax on import duty on aluminium products, tax on import duty on polymer long rod insulators, tax on work contract, tax on miscellaneous support services for electricity transmission, tax on transportation of goods by road, levy on finished transmission line and sub-station material equipment, levy on conductors, excise duty, CST/VAT, Customs duty and Entry tax) that due to varied nature of the taxes that have been abolished through the introduction of GST, it is not possible to ascertain the resulting impact in a generic manner for all the transmission service providers.
- The abolition of taxes, duties, cess, after the introduction of GST was a change in the law and the savings arising out of such events should be passed to the beneficiaries of the transmission service providers.
- The CERC maintained that the introduction of GST resulted in imposition of new or increase in existing taxes, duties, cess etc. which constitute “change in law” events and accordingly the additional impact due to introduction of GST shall be borne by the beneficiaries.
- The CERC ordered that the additional financial burden (expenditure) on account of GST shall be reimbursed by the beneficiaries/LTTCs according to the relevant provisions.

Summary of the CERC's Order

- Introduction of GST with effect from July 1, 2017 shall constitute a change in law event if the cut-off date (7 days prior to the bid deadline) as per the relevant TSA falls on or after July 1, 2017.
- The differential between the taxes subsumed in GST and the rates of GST on various items shall be admissible under change in law.
- The transmission service providers shall work out and provide the details of increase or decrease in the tax liability in respect of introduction of GST to the beneficiaries/LTTCs duly supported by Auditor's Certificate.
- The additional expenditure on account of GST shall be reimbursed by the beneficiaries/LTTCs as per the relevant provisions of the TSA regarding change in law during the construction period or operating period, as the case may be.

Our view: The CERC Order dated December 17, 2018 clarifies the position on GST as a "Change in Law" event for transmission service providers in India. This would provide some relief to transmission licensees. However, the costs would be passed on to the beneficiaries and could consequently affect tariffs.

RENEWABLE ENERGY

The Ministry of New and Renewable Energy Amends VGF Guidelines for 2 GW of Solar Projects

The Ministry of New and Renewable Energy (MNRE) vide amendment dated December 10, 2018, amended the guidelines for the implementation of its program under which the government aims to develop 2 GW (two gigawatt) of solar photovoltaic projects with Viability Gap Funding (VGF) under the third batch of the National Solar Mission (NSM) Phase-II.

According to the new amendment, if there is a delay in the allotment of land for the project or connectivity by the government, the Solar Energy Corporation of India (SECI) is allowed to extend the time for the financial closure and commissioning date of the project, without any financial implications to the project developer.

Prior to the amendment, in case of such delay, SECI could extend the time for financial closure and commissioning date only up to three months. In case of extension beyond the aforementioned period, SECI was earlier mandated to approach the MNRE with full justification for the delay, which would then be authorised to decide on further extension up to two months with the approval of its joint secretary and if the delay exceeded five months in total, the approval of MNRE's secretary will be needed.

Our view: Although an extension of time is contemplated, discretion still remains with the authorities to actually grant such extension. Ideally, a developer would want such an extension to be provided as of right. It is, however, a step in the right direction.

Amendment made by the MNRE to Policy for Biomass-Based Cogeneration Projects in India

The MNRE has issued a corrigendum to the 'Scheme to Support Promotion of Biomass-based cogeneration projects in sugar mills and other industries in the country up to March 2020' issued on May 11, 2018 (Policy), amending Clause 5 and 6 of the Policy.

Setting the Context:

- The Policy provides central financial assistance (CFA) for projects utilizing biomass like bagasse, agriculture based industrial residue, crop residues, wood produced through energy plantations, weeds and wood waste produced in industrial operations.
- Financial support provided under the program can be availed by registered companies, partnership firms, proprietorship firms, cooperatives, public sector companies and government-owned firms provided that such applicant has availed term loan from any financial institution like public sector banks, NBFC, private sector banks, central or state cooperative banks.
- Under the Policy, CFA will be provided at the rate of INR 2.5 million (approx. USD 35,477.7)/MW for bagasse cogeneration projects and ₹5 million (~\$70,955.5)/MW for non-bagasse cogeneration projects.

Amendment Highlights:

- In Clause 5, regarding the existing projects involving capacity addition, MNRE has inserted a new provision which states that "Applications already received for capacity addition (expansionary) projects before notification of this program will not be eligible for CFA."
- In Clause 6, regarding the sanction of proposals, MNRE has inserted two new provisions: Firstly, now all applications which are received by June 30, September 30, December 31 and March 31 will be considered in the next quarter. Secondly, applications received and sanctioned before the notification of this program will be processed per the prevalent extant guidelines and projects that have been set up prior to grant of MNRE will not be eligible for CFA.
- When the program was launched, Clause 6 had a provision that said that applications received before the notification of this program will be processed as per the extant guidelines prevailing during the period.

Our view: Whilst this is a welcome move, existing projects would not benefit from the same as they have been expressly excluded from the scope of the assistance provided under the scheme.



Safeguard Duty on Solar Cells and Solar PV Modules cleared from SEZs

On November 30, 2018, the Ministry of Commerce and Industry (MCI) issued a circular (Circular) clarifying that safeguard duties would be levied in respect of any goods removed from special economic zones (SEZs) to domestic tariff areas (DTA). Vide the Circular, the MCI circulated an opinion of the Department of Revenue (DOR).

As per the DOR, Section 30 of the Special Economic Zone Act, 2005 (SEZ Act) makes the chargeability of customs duties, including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975 very clear in respect of goods removed from SEZs to DTAs. Accordingly, as per the Circular so long as Section 30 of the SEZ Act remains in its present form, there would be no confusion on the levy of duties.

As per Section 30 of the SEZ Act: (a) any goods removed from a SEZ to the DTA is chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and (b) the rate of duty and tariff valuation, if any, applicable to goods removed from a SEZ is the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

The Circular comes in light of the recent developments regarding imposition of safeguard duty on solar modules and cell imports. As per the order of the Supreme Court and the Government of India, solar imports from July 30, 2018 would attract a safeguard duty of 25%. The Circular clarifies that manufacturing units operating in SEZs would also have to pay such duty.

Our view: Given that a large part of India's solar manufacturing units is located in SEZs, this move would be unwelcome. The benefit of investing in an SEZ has always been the tax and other incentives provided by the Government to SEZs and this move may run counter to the interests and expectations of manufacturers.

Make in India for Renewable Energy

In response to the Public Procurement (Preference to Make in India) Order, 2017 (Order) vide Department of Industrial Policy and Promotion (DIPP) Notification No. P-45021/2/2017-B.E.-II dated June 15, 2017 to encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment, the MNRE has issued an Office Memorandum dated December 11, 2018 and bearing number F.No.146/57/2018-P&C for the implementation of public procurement in the renewable energy sector by giving preference to "Make in India" products.

Scope and Applicability

- The Order which applies to all ministries/departments, attached or subordinate offices or autonomous bodies controlled by the Government of India, including government companies as defined under the Companies Act accords preference to domestically manufactured/produced products and prescribes the minimum local content (total value of the item procured minus the value of the imported content in the item, unless otherwise prescribed by the Nodal Ministry) for renewable energy products in the sectors of renewable energy technology, namely small hydro power, wind power, off grid or decentralized solar power, grid connected solar power projects, biomass gasifier, biomass cogeneration, municipal solid waste projects and waste to energy (biogas/bio-CNG).
- Products/items related to renewable energy sector being procured for research and development purpose/demonstration projects are exempted from the purview of applicability of the Order.

Prescribed percentage of local content in renewable energy products

- For the grid connected solar power projects developed by central ministries, departments and central public sector undertakings, the Order prescribes that preference be given to domestically manufactured solar PV modules and other components such as inverters. Of this, the solar PV modules have to be 100 per cent locally manufactured and other components such as inverters shall be at least 40 percent locally manufactured.
- Under the decentralized/off grid solar power category, the requirement of local content in products such as solar street lights, solar home lighting systems, solar power packs, micro grid, solar water pumps, inverters, batteries and any other solar PV balance of system components shall be 70%.
- For wind projects developed by central ministries, departments, and central public sector undertaking (PSU), the minimum percentage of local content required for products such as gear box, blades, rotor, generator, tower, hub, parts of controller, bearings, yaw machine components, nacelle and hub shall be 80%. Besides hub and nacelle assembly/manufacturing facility should be in India.
- For biogas/bio-CNG (waste to energy) projects, the minimum percentage of local content required for products such as feed mixer tank, mixing agitator, feeding pump, digester tank, stirring agitator, double membrane balloon, liquid and gas piping systems, biogas purification system, B-CNG booster compressor, B-CNG filling header, cylinder casket, CNG dispenser, power generator etc. for biogas/bio-CNG (waste to energy) projects shall be 80 percent.
- For biomass cogeneration projects, the minimum percentage of local content required for products such as boiler and its auxiliaries including ESP, turbines/generator and its auxiliaries, electrical evaluation and distribution system, bagasse/biomass fuel storage and handling equipment, ash handling systems, cooling tower or air cooled condensers and its auxiliaries, water treatment plant, control system, interface piping, EOT crane, ETP, etc. shall be 80%.
- For biomass gasifier projects, the minimum percentage of local content required for products such as biomass gasifier reactor, Feed hopper, ash removal system, ash pump, cyclone, hot gas filter, gas blower, gas piping, control panel, platforms and ladders, water seals, gas burner for start up, automatic gas burner etc. shall be 80%.
- For municipal solid waste projects, the minimum percentage of local content required for products such as boiler, flue gas cleaning system, grab crane system, waste processing system, leachate treatment plant, chimney, water/air condenser, turbine-generator, water treatment plant, ash treatment plant, control and instrumentation system, etc. shall be 80 percent.
- For small hydro projects, the minimum percentage of local content required for products such as turbine, generator, penstock pipelines, control panel, governors, cables, valves, transformers, switch gears etc. shall be 80%.

Verification of local content/Domestic value addition

- The local supplier at the time of tender/bidding shall be required to provide self-certification that the items being offered meet the minimum local content and shall give details of the locations at which the local value addition is made.
- In case the procurement is for a value in excess of INR 100,000,000, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor or from a practising cost accountant or practising chartered accountant giving the percentage of local content.
- Independent verification of self-declarations and auditor's/accountants' certificates shall be conducted by Technical Committees constituted by the administrative Ministry/Department with internal and external experts.

Our view: By according preference to domestically manufactured/produced products and prescribing the minimum local content for renewable energy products in the renewable energy sector, the Planning and Coordination Division of the MNRE has taken an important step in contributing to the "Make in India" initiative of the Government of India designed to enhance income and employment in India. However, in the urgent context of increasing energy production and consumption through renewable sources thereby meeting India's Paris Accord commitments, such a mandate could be viewed as an impediment.