

LEGAL ASPECTS OF AGRIPHOTOVOLTAICS IN INDIA

WITH FOCUS ON MAHARASHTRA AND KARNATAKA

September 29, 2022



2nd largest market in Asia & 3rd globally – new solar PV capacity

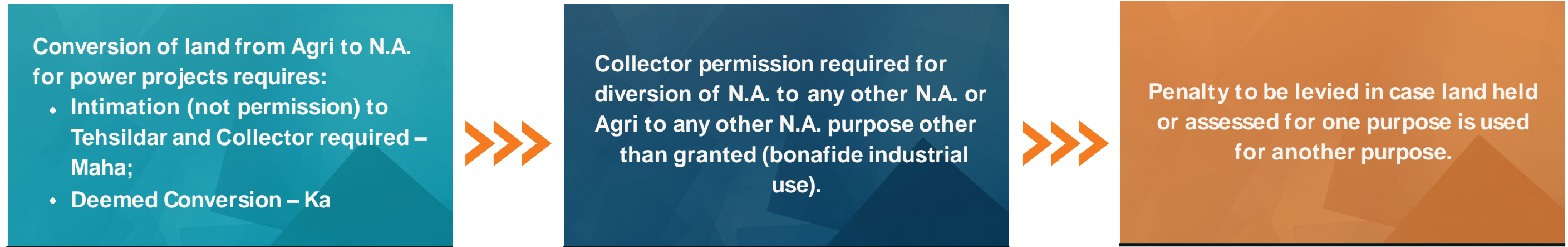
Ranks 4th in total solar energy installation globally (2021)

175 GW RE target by 2022 – 100 GW from solar

57 GW already installed as on July 2022

Current target - Reduce emissions intensity of GDP by 45% by 2030

- Land is limited and availability is a big concern for solar projects.
- One MW of solar project needs approx. 5 acres of land (as against 2.4 acres in case of wind projects). Hence, there is a need to reduce existing land demand and unavailability.
- AgriPV - coexistence and harmony of two major sectors i.e., energy and agriculture, seems to be a potential solution.
- AgriPV is not policy wise expressly recognized/regulated. Hence, it will be guided by existing solar policies formulated by respective state governments along with provisions of Electricity Act, 2003.
- The solar policies provide for different project categories and are implemented by the respective State Nodal Agencies, such as MEDA for Maharashtra, KREDL for Karnataka. Approvals typically required for solar projects will be applicable for AgriPV project as well, in absence of express legislations.
- Encouraging steps are being initiated - single window clearance web portal, R&D initiatives, solar projects on farmland by SHG/PACS/FPO (Maha), PM Kusum Component A, MNRE taking interest, etc.



- Currently, the legislations are silent on co-existence of both Agricultural + N.A. activities on same land.
- Since agricultural activity continues on the land for AgriPV project, the land use is not changed and only additional (solar power project) activity is being conducted.
- While the farmer may not be required to pay a conversion fee for the conversion of land status, an intimation to the relevant authority (the Collector for Maharashtra, or the Deputy Commissioner for Karnataka, for instance) may suffice.
- Discussion with MEDA and the KREDL have not provided clarification on this matter yet, though it has been suggested that the co-existence of solar and agricultural activities should not pose a problem. Hence, letter seeking clarification should be written to avoid any risk or liability.

- Concerned officials may have differing views regarding legal implementation of the AgriPV projects in absence of specific earmarked policies.
- Most conventional Indian crops require full sunlight, which would be limited by the erection of solar panels over the crops.
- Overall project cost may be high due to increased installation height of solar panel, maintenance costs, cleaning, etc.
- Animal grazing may be a safety concern
- Land holds sentimental value for farmers. Extensive awareness and community participation required.
- Technical feasibility of module cleaning, availability of ground water and elevation of solar panel to be researched and tested.

AgriPV specific regulated policies must be introduced.

Single window clearance system specifically for Agri-PV project with one nodal agency.

Promotion of awareness and knowledge sharing sessions with farmers as land holds sentimental value.

Pre-fixed progressive tariff for Agri-PV project.

Land legislations to specifically provide for mixed use of agri and N.A. land.

Fiscal incentives, government schemes, concessions, exemptions, attractive credit facilities, budget allocation to be provided to boost potential.

Mandatory purchase obligations for utilities and industry to purchase certain amount of power from AgriPV.

As per media reports, MNRE is actively working on a policy that will give solar companies an option to have legal agreements with farmers, wherein farming can continue, if the height of the panels is increased. This will be an additional opportunity for the solar companies.

Thank you!

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