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GOVERNMENT OF INDIA**

**INDIA AND ADB SIGN AN AGREEMENT FOR US \$100 MILLION ADB
LOAN FOR GUJARAT SOLAR POWER TRANSMISSION SYSTEM**

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The Government of India and the Asian Development Bank (ADB) today signed an agreement for a \$100 million ADB loan to develop a transmission system that will distribute 500 megawatts of solar power from the Charanka Solar Park in Gujarat.

Using an innovative public private partnership (PPP) model, the project will create job opportunities, improve social services and contribute to poverty reduction locally. It will also support power distribution companies in Gujarat and other Indian power utilities to meet part of their clean energy procurement obligations through solar energy.

Under the PPP model, the government has launched an attractive feed-in tariff for solar power payable to the developers while offering them the option of developing projects in a solar park. State government agencies lease the land and provide common infrastructure facilities and services, including site preparation, transmission evacuation, access roads, water and other services, thereby allowing developers to focus on the timeliness and cost efficiency of the project.

The Indian Government is aiming to generate 20,000 MW of solar power by 2022. It has launched the Jawaharlal Nehru National Solar Mission (JNNSM) in 2010, which is expected to generate 1,000 MW by 2013 by ramping up grid-connected solar power generation.

The signatories were Shri Prabodh Saxena, Joint Secretary (Administration & Bilateral Cooperation), Department of Economic Affairs, Ministry of Finance on behalf of the Government of India, and Mr. Hun Kim, ADB Country Director for India. It was also signed on behalf of the State Government of Gujarat along with Shri S.K. Negi, Managing Director, Gujarat Energy Transmission Corp.

“Given rapid growing electricity demand, and increasing reliance on imported sources of fossil fuel, India expects to utilize its large potential for solar energy in an effective manner. This project will not only benefit Gujarat, but will

also help develop the PPP solar park model under the Jawaharlal Nehru National Solar Mission,” Shri Prabodh Saxena said.

“ADB is committed to generating 3,000 MW of solar power by 2013 under its Asia Solar Energy Initiative and we believe India has the potential to account for a significant share of this target,” said Mr. Hun Kim.

In addition, an associated Technical Assistance (TA) funded by the Department for International Development of the United Kingdom and administered by ADB will provide vocational training in energy-related skills and livelihood opportunities to local people. At least half of the participants will be women.

This is a LIBOR-based loan from ADB's Ordinary Capital Resources and has a term of 25 years including 5 years of grace period.

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