Early Warning System

IFC-39151

FRV Solar India

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-06-13
Borrower	Fotowatio Renewable Ventures (INDIA) Preivat Limited
Sectors	Construction, Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 35.67 million
Project Cost (USD)	$ 119.00 million

Project Description

FRV Solar Holdings XI BV (FRV or 'the Company') has been granted, through international competitive bidding, 2 x 50MW solar power projects in the State of Andhra Pradesh in India. The contracts were awarded by Solar Energy Corporation of India Limited (SECI), a Government of India controlled parastatal. SECI has proposed development of 1500 MW solar projects inside Ananthapuramu Ultra Mega Solar Park (solar park) being developed by Andhra Pradesh Solar Power Corporation Private Limited (APSPCL). APSPCL is a joint venture company between Andhra Pradesh Power Generation Corporation Limited (APGENCO), New & Renewable Energy Development Corporation of Andhra Pradesh Ltd (NREDCAP) and Solar Energy Corporation of India (SECI) and is the solar park owner.

FRV has been awarded two 50MW (2 x 50MW) solar project contracts inside the solar park, with a 6 month construction phase and a commissioning deadline of October 2017 or any such extended date as granted by SECI. The project cost is estimated to be around US$ 116 million and IFC is proposing to subscribe to Non-Convertible Debentures of around US$29 million and mobilization of around US$58 million ("the Investment") for the development, financing, construction, operation and maintenance of 2 solar photovoltaic plants of 50 MWac each.

FRV has established two wholly owned special purpose vehicles (SPVs) incorporated in India for managing the projects. These SPVs entered into 25 year Power Purchase Agreements (PPAs) with SECI in October, 2016. During the project execution, the SPVs will enter into a fixed-price, turnkey EPC contract with third parties to execute the construction of the project as well as undertake Operations & Maintenance (O&M) for the initial 2 years. Thereafter, O&M is proposed to be done by FRV by way of a long term contract with the SPVs. The company proposes to use polycrystalline modules and fixed seasonal tilt technology in the project.

The 1500 MW capacity Anathapuramu ultra mega solar park (UMSP) will involve six solar developers and is proposed across two neighboring mandals (counties), namely NP Kunta and Galiveedu mandals. Land parcels acquired for the solar park in these mandals are located at three different villages, namely NP Kunta (NP Kunta mandal) and Veligallu and Tumukunta (both in Galiveedu mandal) in a non-contiguous manner. APSPCL has allotted land to the project company in lands belonging to Veligallu and Tumukunta Villages in Galiveedu Mandal, District Cuddapah, Andhra Pradesh. The two plots (Plot P2 in Tumukunta village and Plot P8 in Veligallu village) allotted to SPVs are approximately 250 acres (around 100 ha) each.

APSPCL will enter into a land lease agreement with company SPVs for using the two allocated plots and is responsible for providing encumbrance free land, evacuation infrastructure and other common facilities consisting of the following:

The entire solar park site lies on the western catchment area of Papagni River which is a prominent right bank tributary of the major Penna River. Papagni River, a monsoon river that remains dry during the non-monsoon months, flows about 2.5 km east of the FRV plot P2. Veligallu reservoir, constructed across Papagni River around 1 km south east of FRV Plot P8, is the only perennial surface water body catering to the irrigation and drinking water needs of the region.

Investment Description

- International Finance Corporation (IFC)

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- ESIA_50MW_P2 Plot ASP_23.03.17
- ESIA_50MW_P8 Plot ASP_23.03.17