

No.25-10/12/2023- PG
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi – 110001, Dated the 2 July, 2024

To,

- (i) Chairman and Managing Director, Power Grid Corporation of India Ltd.,
Saudamini, Plot No.2, Sector 29, Near IFFCO Chowk, Gurgaon-122001,
(ii) Chairman and Managing Director, REC Power Development and Consultancy
Limited, Plot No. I-4, Sector 29, Near IFFCO Chowk Metro Station, Gurugram,
Haryana 122001
(iii) CEO, PFC Consulting Limited (PFCCL), First Floor, Urja Nidhi 1, Barakhamba
Lane, Connaught Place, New Delhi - 110001.

Subject: Exemption from the requirement of the Minimum Local Content (MLC) under Make in India (MII) provisions of 60% in respect of HVDC stations – reg.

Sir,

I am directed to refer to the subject cited above and to say that following requests have been received in this Ministry for seeking waiver in the stipulated Minimum Local Content (MLC) of 60% in case of HVDC components for the HVDC system under MoP PPP-MII Order dated 16.11.2021 :

Sr No.	Subject/Transmission Line	Request Received from	Specifications of request
i.	KPS2 and Nagpur transmission line (1200 km) for evacuation of power from RE zone in Khavda area of Gujarat (Total cost - Rs 24,819 crore)	REC Power Development and Consultancy Limited in capacity of Bid Process Coordinator vide letters dated 16.01.2024 & 02.05.2024	Seeking exemption of specified requirement of 60% Minimum Local Content for (HVDC) terminal Stations
ii.	Leh-Kaithal transmission line (713 km) Transmission system for	Power Grid Corporation of India Limited vide letter dated 28.02.2024	Seeking exemption of specified requirement of 60% Minimum Local Content for (HVDC) terminal Stations

	evacuation of RE power from renewable energy parks in Leh (Total cost - Rs 20,733 crore)		
iii.	2x500 MW Bhadrawati (Chandrapur) HVDC Back to Back (BTB) Station (Total cost- Rs 978 crore)	Power Grid Corporation of India Limited vide letter dated 23.02.2024	Seeking exemption of specified requirement of 60% Minimum Local Content for refurbishment of HVDC Control, Protection, SCADA, Valve Hall Equipment and Valve Cooling System for 2x500 MW Bhadrawati (Chandrapur) HVDC Back to Back (BTB) Station.
iv	KPS 3 Khavda-South Olpad HVDC System (Total cost- Rs 12000 crore)	Line for which RfP is to be floated soon. The issue was raised by PFCCCL (the BPC) in the meetings held on this subject.	Seeking exemption of specified requirement of 60% Minimum Local Content for (HVDC) terminal Stations

2. The matter has been examined in this Ministry in consultation with Central Electricity Authority (CEA) and other Stakeholders including PGCIL, BHEL, Hitachi, Siemens, and GE. The key points that emerged are :

(i) The specific grade of CRGO required for manufacturing of convertor transformers, used in HVDC, are totally imported and unlikely to be manufactured in India before FY 2026-27.

(ii) Although the thyristor is a critical element for the HVDC valve, it may not be the most suitable sub-component for localization due to the heavy reliance on imported silicon wafers and the need for capital-intensive testing facilities. Even with localization, the actual increase in local content may not justify the significant investment required.

(iii) Efforts are on to draw a clear trajectory for MLC in the various sub-components HVDC terminal stations till 2029-30. Both CEA and PGCIL have also been in discussions with OEMs and sub-component suppliers to finalize this trajectory.

3. Considering the need for matching the transmission with the generation projects to achieve the target of 500 GW by FY 2029-30, it has been decided to reduce the Minimum Local Content (MLC) requirement for HVDC stations, from the **current 60% to 25%** for the above mentioned three projects as at **para 1(i) to (iii) only**, subject to the condition that all the applicable Rules/Regulations/Orders of MoP/ DPIIT and other Nodal Ministries/ Organisations have to be followed.
4. This exemption will be treated as a one-time measure and would not be treated as a precedent. All future proposals will be decided on merit, on a case-to-case basis.
5. CEA will work with the Original Equipment Manufacturers (OEMs), Transmission Service Providers and other electrical equipment manufacturers and evolve a phased implementation plan for localizing the supply chain.
6. This issues with the approval of Hon'ble Minister of Power.

Yours faithfully



(MVN Vara Prasad)

Under Secretary to the Government of India

Tel: 011-23730264

Copy to: Chairperson, Central Electricity Authority (CEA), Sewa Bhawan, R. K. Puram-I, New Delhi-110066 with the request to work with the Original Equipment Manufacturers (OEMs), Transmission Service Providers and other electrical equipment manufacturers and evolve a phased implementation plan for localizing the supply chain.

