

February 23rd , 2022

Sh. Dr. P. D. Vaghela,
Chairman, Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan, New Delhi

Subject: Request for support in strengthening Data Center and Network Infrastructure in India

Dear Sir,

The Data Center Industry is growing at a rapid pace owing to the explosion in data in recent years due to rising smartphone usage, increased internet penetration, proliferation of IoT devices, 4G technology, advent of several use cases abetting the data usage further. To support the growing Data Center Industry there is a need to bring in necessary structural, regulatory changes along with providing quality infrastructure and needed financial incentives to Data Center Companies in order to support the growth trajectory of Digital India.

In view of this, industry players have been collaborating closely with the Ministry of Electronics and Information Technology (MeitY) and various state governments to obtain critical support in areas such as building regulations, ease of doing business, infrastructure, and fiscal assistance. MeitY, has released draft Data Center Policy in 2020 with the objective to make India a Global Data Centre hub and promote investment in the sector. In addition, many progressive State Governments too are pro-actively working to provide the required impetus to the growth of Data Center Industry through revised, incentivized Data Center Policies.

With respect to proposed regulations for Data Center Industry, we request TRAI to facilitate policies that attracts interest from Telecom Service Providers for building NLD capacities specifically for Data Center Units /Parks and Cable Landing Station. Enabling and allowing Data Center companies to lay dark fibers between Data Centers for own consumption with relaxed licensing requirement will tremendously benefit to set-up and scale the infrastructure with relative ease.

In addition to strengthen the NLD network in our country, we request for financial incentives/subsidies by Govt with National agenda to roll out NLD from Coastal to metro geographies and other emerging cities with easy ROW permissions to lay fiber.

We would like to request the support of the Government which would go a long way to boost the growth the Data Center and Network Infrastructure in the country. Details of the support requested has been attached in Annexure 1 for your reference.

Looking forward for your favourable response .

Anil Sardana

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Annexure 1: Support Required for Data Center & Telecom Industries

Category	Parameter	Policy Incentives Request
Power	Deemed Distribution Licensee Status	Data Center Park developers/operators to be provided Deemed Power Distribution license
	Dual grid power supply from two different sources	Provision for two dedicated feeders at no extra cost each from independent diverse sources
	Unrestricted Banking and Drawals	Banking of 100% energy to be allowed up to the extent of consumption of Data Center Parks and Data Center Units without any restrictions for a period of 25 years
	100% Banking charges waiver	100% exemption of Banking charges to both Interstate & Intrastate captive renewable plant(s) for a period of 25 years
	100% Transmission, Wheeling charges and losses waiver	100% exemption of Transmission, Cross Subsidy, Wheeling charges and transmission/distribution losses for renewable energy supplying to Data Center Parks and Data Center Units for a period of 25 years
	Electricity Duty Waiver	100% waiver to Data Center Parks and units for consumption from captive renewable plants or power sourced from the grid for a period of 25 years
	Power Tariff	Power subsidy of Rs 2 per unit for a period of 25 years including construction phase A Flat tariff mechanism should be defined under separate category in tariff order, as energy consumption of Data Centre remains flat
	Co-generation of the power	Co-generation of the Power should be allowed and included under the Policy. Incentive mechanism should be defined to encourage such initiative
	Open access permission	Long term Open access permission and time bound approvals should be addressed through policies if the offtaker is Data Centre Park/Data Center
	Battery storage	- Allow battery storage in Data Centers/ Data Center Parks without any restrictions - Fiscal Support for Battery storage through capex subsidies and zero interest loans
	Lending norms	Ease of lending norms to Renewable Power Developers if supplying power to Data Center/Data Centre Park
	Virtual PPAs and CFDs	Market driven like Virtual PPAs and CFDs should be encourage for maximization of Renewable consumption in Data Centres/Parks
Development of Renewable energy Parks	Dedicated Large scale Hybrid Renewable Park developed should be encouraged	

Category	Parameter	Policy Incentives Request
	International Renewable Energy Certificate	Allow International Renewable Energy Certificate to be redeemed and utilised for the Data Centre Developer/Operators/Hyperscalers
	Emerging technologies for clean power generation	Fiscal Incentives for utilizing emerging technologies for clean power generation i.e. Fuel cell, Green Hydrogen or others
SGST	SGST waiver on all types of Data Center Capital Expenditure (ICT and non-ICT)	100% waiver of SGST on all types of Capex (Electrical & Mechanical , Civil, ICT hardware and software) for Data Center Parks and Data Center Units for 10 years
Land	Land Availability at Subsidized rates for DC Parks/Units	Request land on a long-term (99 year) lease basis at 50% subsidy to prevailing market rates
	Stamp Duty Waiver for DC Park	100% stamp duty exemption to be provided for DC Parks/Units
	Sub-leasing of Land for DC Park	Data Center Parks/ Data Center Units provider will be allowed to sublease the land/building to clients and Data Center customers at no extra charge
	Availability of Land for captive renewable Plant at subsidized rates	Land to be made available at economical prices on outright purchase or competitive lease terms for establishment of captive renewable Plant
	FSI/FAR	A special category to be introduced for data centers buildings under the IT/ITES buildings norms wherein maximum FAR of 4 is permitted
Fiscal Incentives	Capital subsidy	Request to provide Capital Subsidy for DC units and Parks
	Interest subsidy	Request to provide Interest Subsidy for DC units and parks
Building Regulations	Parking Relaxation	Request relaxation in the parking area requirement applicable to only 1% of the total built up area.
	Multi-Level DG stacking	Allow multi-level DG installation and not consider this structure as part of FAR/FSI
	Floor to Ceiling height	No restriction on floor to ceiling height
	Boundary walls	Boundary walls of height 3.6 m to be permitted
	Installation of Chillers	No restriction on installation of chillers
Infra Support	Mission Critical Infrastructure	Categorize Data Center Parks and Data Center Units as Essential Services
	24x7 water availability	24x7 uninterrupted water supply
	Energy Intensive Industry Categorization	Classifying Data Center Parks and Data Center Units as energy intensive industry and waiver of fixed demand charges for power drawn from Grid or Captive Renewable Plant(s)

Category	Parameter	Policy Incentives Request
	Infrastructure at the door of DC park	Govt. to build necessary Infrastructure to the periphery of Data Center Park
	Green building certifications	Incentives mechanism for green building certification under Domestic/International Norms
Network	Undersea cable connectivity	Allow CLSs and submarine cables to be Built in any coastal location in India without any restriction
	Financial Support	-Provide zero interest rate loans and capex subsidy to Indian Companies for capital investments needed for undersea cables & cable landing stations -Relaxation on ROW charges on Inter DC dark fibre & DC to CLS connectivity
	Dark Fiber between DCs	-Allow Data Center entities to lay and utilize dark fiber for connectivity between DCs without any license requirements. -Provide Exemption in tax implications of AGR for captive use.
	Dedicated network for Data Centers	-Request support for creating dedicated network only for connecting Data Centers across India through PPP models . -Request to allow flexibility on ROW access with minimal charges ,provisions of creation of common ducts along with timely approvals.
	Creation of Data Embassy	Creation of Data Embassy which allow Data Centers to store and process foreign data (e.g., Banking and Financial services)
Policy Adoption	Approvals & Adoption	-Special committee to be constituted for policy adoption by all departments, faster clearance & approvals. -Request to ensure policy adoption within 1 month of Policy release