

Draft Karnataka Renewable Energy Policy 2016-2022 (Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, and Tidal)

Sl. No.	Description	Summary																																								
1.	Nodal Agency	Karnataka Renewable Energy Development Limited (KREDL)																																								
2.	Operative Period	6-Years																																								
3.	Objectives	<ol style="list-style-type: none"> 1. Achieve a minimum capacity addition of 6,000 MW by 2022 in a phased manner, 2. Translate Karnataka into an investor friendly State in implementing projects for all forms of renewable energy viz. Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, and Tidal. 3. Promote intra-state open access based business models viz. captive models and third party models through wheeling and banking facilities as per KERC guidelines. 4. Introduce inter-state open access based business models viz. captive models and third party models through wheeling and banking facilities as per KERC guidelines. 5. Promote new programs for development of Renewable Energy 																																								
4.	Capacity addition targets for Renewable Energy	GoK intends to realize a minimum capacity addition of 6,600 MW during the policy period in a phased manner from various technologies. The proposed year-wise capacity addition targets are as given below:																																								
		<table border="1"> <thead> <tr> <th>RE Source</th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Wind Power</td> <td>600</td> <td>650</td> <td>700</td> <td>750</td> <td>800</td> <td>906</td> <td>4,400</td> </tr> <tr> <td>Small Hydro</td> <td>150</td> <td>150</td> <td>150</td> <td>175</td> <td>175</td> <td>200</td> <td>1,000</td> </tr> <tr> <td>Biomass, Cogeneration, and Waste-to-Energy</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> <td>600</td> </tr> <tr> <td>Total</td> <td>850</td> <td>900</td> <td>950</td> <td>1025</td> <td>1,075</td> <td>1,200</td> <td>6,000</td> </tr> </tbody> </table>	RE Source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Wind Power	600	650	700	750	800	906	4,400	Small Hydro	150	150	150	175	175	200	1,000	Biomass, Cogeneration, and Waste-to-Energy	100	100	100	100	100	100	600	Total	850	900	950	1025	1,075	1,200	6,000
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5.	Eligibility	All Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, Tidal projects established in the State of Karnataka during the Operative period shall be eligible for benefits under this policy.																																								
6.	RPO (Renewable Purchase Obligation) Target	The Non-solar RPO set for this policy is mentioned below:																																								
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7.	Security Deposit	<ol style="list-style-type: none"> 1. The Developer shall provide Security Deposit in the form of Bank Guarantee @ INR 1 Lakh per MW or as per the prevailing notification by GoK. 2. In order to encourage the Developer, the Security Deposit clause is waived-off for the projects related to Biomass, Waste-to-Energy, Cogeneration, Tidal and 																																								

		western ghat MHS projects until further notification by GoK.
8.	Wheeling & Banking Agreement	The wheeling of electricity generated from the renewable sources mentioned in this policy, to the desired location(s) within the State and banking of such energy, shall be allowed on such terms and on payment of relevant charges as determined by KERC from time to time.
9.	Land	<ol style="list-style-type: none"> 1. If the required land is private land, the Developer shall acquire the same directly from land owners by any mode of transfer. If it is on lease, the minimum period of lease shall be thirty (30) years. 2. If the required land belongs to Government, the Developer shall approach concerned Department. 3. In case, the land belongs to Forest Department, Forest Department should issue facilitation letter as per the standard draft approved by MOEF, Gol, New Delhi vide letter No: F. No: 11-113/2008 FC dated 30.12.2008 and subsequent orders. 4. Shifting/ Change of locations for allotted Wind/ Wind-Solar Hybrid/ Small Hydro/Biomass/Cogeneration/Waste-to-Energy/. Tidal Projects is not permitted.
10.	Metering of Electricity	<ol style="list-style-type: none"> 1. The metering will be done as per Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and amendments issued from time to time. 2. The electricity generated from the projects, shall be metered and readings taken jointly by Power Project Developer with KPTCL/ESCOMs at the metering point, on a monthly basis.
11.	Reactive Power Charges	The drawl of reactive power shall be charged as per the KERC order, as amended from time to time.
12.	Government of India incentives	MNRE, Government of India (Gol) provides a package of fiscal and financial incentives which include concessions such as Central Financial Assistance, concessional custom duty on specified items, excise duty exemption, sales tax exemption, tax holidays etc. The same shall be extended to the project Developers.
13.	Time Extension	<ol style="list-style-type: none"> 1. Time extension may be recommended by KREDL to GoK if and only if the delays are due to reasons beyond the control of the Developer. 2. In such cases, KREDL may recommend GoK to allow a one-time extension along with the payment of prescribed fee, as notified by GoK from time to time. 3. In addition to the above, GoK may provide further time extension (if required) considering the progress and quantum of investment into account. Such a time extension shall be made on submission of INR 1 lakhs per MW as an extension fee per annum on a pro-rata basis, as to be notified by GoK from time to time. Also, the Developer shall deposit additional Bank Guarantee at the rate of INR 10 lakhs per MW for the un-commissioned capacity and the validity of such Bank Guarantee shall be as notified by GoK.
14.	Additional focus areas for the Government include	<ol style="list-style-type: none"> 1. Encouraging repowering of wind projects: <ol style="list-style-type: none"> a) Wind projects installed at wind rich sites prior to 2002-03 shall be taken up in the first phase (2016-18) of the repowering program. In the second phase (beyond 2018), projects developed after 2002-03 shall be considered for repowering. b) GoK will encourage the land owners to develop wind power projects in their own land. 2. Biomass, Bagasse based cogeneration Projects: GoK considers setting up "Biomass Parks" in rural areas of the State, dedicated for supply of biomass fuel to designated biomass power projects.

		<p>3. Grid management</p> <p>GoK intends to set up pumped storage based hydro power plant projects in Karnataka to be implemented by the concerned departments for grid management considering the extent of renewable energy penetration in the grid.</p>
15.	<p>Policy initiatives under consideration of GoK to promote renewable power projects.</p>	<p>Akshaya Shaktfai Nidhi (Green Energy Fund):</p> <ol style="list-style-type: none"> a) In order to facilitate Renewable Energy project financing and Energy Conservation and Efficiency measures Green Energy Fund "Akshaya Shakthi Nidhi" will be taken up in this policy period. b) "Green Energy Cess" of INR 0.05 (five paise) per unit would be levied on the electricity supplied to commercial and industrial consumers. 10 % of this fund will be set apart as contribution to Energy Conservation Fund for Energy Conservation activities. c) Time bound clearance for evacuation approval from KPTCL. Reduction of supervision charges by KPTCL /ESCOMs to five percent (5%). d) Any allotments which failed to show any progress or intent in developing the projects within seven (7) years from the date of announcement of the policy shall deemed to be cancelled. e) All projects allotted ten (10) years before the announcement of this policy and have failed to show any satisfactory progress, their allotments shall be deemed as cancelled.
16.	<p>Promotion of Wind-Solar Hybrid projects and Distributed Generation projects</p>	<ol style="list-style-type: none"> 1. In order to optimally utilize the land resources and evacuation infrastructure, the GoK will encourage the development of Wind-Solar Hybrid projects in the State. 2. GoK also intends to promote small scale hybrids particularly in remote villages in the State where the grid is in accessible.
17.	<p>Fiscal Incentives from GoK to promote Renewable projects.</p>	<ol style="list-style-type: none"> 1. Projects implemented under this policy shall receive the status of industry and shall be eligible for all the incentives provided under "Karnataka Industrial Policy 2014" of State government as amended from time to time. 2. Tax concessions in respect of entry tax, stamp duty and registration charges shall be as per Karnataka Industrial Policy as amended by GoK from time to time.