

# Policy for Promoting Generation of Electricity through New and Renewable Energy Sources in Tripura (Draft)

Sl. No.	Description	Summary
1.	<b>Objectives</b>	With a view to promote generation of grid-quality power through New and Renewable Energy Sources in the context of non polluting, renewable inputs like solar, wind, small hydel, biomass and wastes and others, the Government of Tripura has adopted this policy.
2.	<b>Operative Period</b>	This policy shall come into operation from the date of its publication in the official gazette of Tripura and will remain in force until superseded or modified by another order.
3.	<b>Eligibility</b>	<ol style="list-style-type: none"> <li>1. All power producers generating 10 KW to 25 MW of grid-grade electricity from New and Renewable Energy Sources, such as solar, wind power generators, small hydro, Biomass etc” are “eligible producers” under this Policy.</li> <li>2. Renewable energy producers in the joint-sector, formed by Government agencies and the producers will also be “eligible producers”.</li> <li>3. Power producers producing electricity from New and Renewable sources for captive consumption shall also be treated as “eligible producers”.</li> <li>4. There shall be no restriction on the legal form of power producing entrepreneur, Companies, co-operative, partnerships, individuals, charitable societies, Non-Governmental Organizations, etc. and they will all be “eligible producers” provided that they undertake to generate electricity from New and Renewable Energy Sources.</li> </ol>
4.	<b>Financial criteria</b>	Average annual financial turnover of the producer on establishment, operation & maintenance for the last three consecutive financial years shall be at least 50% of the estimated project cost.
5.	<b>Land</b>	<ol style="list-style-type: none"> <li>1. <b>Government Land</b> :- Land lease, as per existing Government rules and regulations, can be considered on case to case basis for setting up such projects subject to availability of Government/Local body/Gram Panchayet land.</li> <li>2. <b>Private Land</b> :- Non-Agricultural Conversion of land will be allowed on case to case basis if Private/Agricultural land is purchased by the eligible producers for setting up the RE project as it is eco-friendly.</li> <li>3. <b>Forest Land</b> :- Wherever Forest Land / Land in the buffer zone of Wildlife sanctuary/reserve forest etc. is involved in the RE projects, the same will be processed for consideration by the State Forest Department under the existing provisions of Forest Conservation Act.</li> </ol>
6.	<b>Grid Interfacing</b>	<ol style="list-style-type: none"> <li>1. Interfacing including transformers, panels, kiosk, protection, metering, high tension lines etc as required from the point of generation to the nearest high tension lines, as well as their maintenance will be undertaken by the producer as per the specifications and requirements of the Power Department / TSECL, for which such eligible producers will bear the entire cost.</li> <li>2. The eligible producer at his cost will install the line, equipment as required for grid connectivity and install meters at his end to measure the outflow and inflow of energy as per the prevailing Rules and Regulation of the Department, which will be jointly sealed by the Department and the producer.</li> </ol>

		3. The producer shall comply with grid code including load despatch & system operation code, metering code, protection code, safety code etc. as applicable from time to time in the state of Tripura.
7.	<b>Wheeling</b>	<ol style="list-style-type: none"> <li>1. The Department will undertake to transmit on its grid the power generated by eligible producer and make it available to him for captive use or to a third party nominated by eligible producer for sale within the State, at a uniform wheeling charge as decided mutually by the concerned authorities or @ 2% of the energy supplied to the grid, irrespective of the distance from the generating station.</li> <li>2. However, CERC/TERC regulations, if any in force, will be the guiding factor in deciding such wheeling charges.</li> </ol>
8.	<b>Tariff</b>	<ol style="list-style-type: none"> <li>1. The rate of increase of tariff every year shall be mutually be settled between Department / TSECL and the producer.</li> <li>2. If the third party is a consumer of Power Department and needs support of the Department's system in case of outage of power from the power station of the producer, then the third party will have to pay minimum charges as per Schedule of Tariff of the Department in force.</li> </ol>
9.	<b>Use of Conventional Fuel</b>	Use of conventional fuel in the process of generation of electricity may be allowed for Biomass based projects in the event of reduced biomass availability, but this use of conventional fuel shall be restricted to 30% on the basis of the criteria applicable for an efficient Dual fuel Biomass based power plants and as finalized by the Department.
10.	<b>Banking</b>	<ol style="list-style-type: none"> <li>1. The State Electricity Corporation or the Agency or the Department, as the case may be, will permit electricity generated by eligible producers to be banked for a period up to one Financial year.</li> <li>2. If the banked energy is not utilized by the producer within one month of the end of the concerned Financial year, the same will be treated as purchased by the State Electricity Corporation or the Agency or the Department, as the case may be and will be settled at the rate specified in the Power Purchase Agreement.</li> </ol>
11.	<b>Exemption from Demand Duty</b>	A reduction in contract demand to the extent of 30% of installed capacity of the power plants shall be permitted by the Department, in case power plant is not utilizing Department's Grid for supply of power to the consumer.
12.	<b>Security Deposit</b>	<ol style="list-style-type: none"> <li>1. The producer, within one month upon approval of the project, shall deposit with the department, an amount equal to 2.5% of the estimated cost of the project as security deposit towards completion of the project within the prescribed time frame.</li> <li>2. The deposit may be in the form of bank guarantee on any Nationalized Bank.</li> </ol>
13.	<b>Electricity Duty</b>	Exempted
14.	<b>Sales Tax Exemption</b>	Renewable Energy equipment and materials shall be exempted from State sales tax / VAT or other state levies or alternately, sales tax/VAT paid by the producer on renewable energy equipments and materials would be suitably reimbursed to the producer.
15.	<b>Free supply of solid waste at site</b>	Concerned Municipal/ urban local bodies will provide garbage at the project site free of cost for urban, Municipal (Solid/Liquid) & industrial waste based power projects.
16.	<b>Nodal Agency</b>	Tripura Renewable Energy Development Agency
17.	<b>Availability of</b>	The Minor Irrigation Department or the Department entrusted with minor irrigation will

	<b>Water from Power generation for NCES</b>	not charge royalty for use of such water for initial period of 7 years. In case of mini hydel, the royalties of forest items for construction of reservoirs / dams / Power House / forebay / penstocks etc. would be exempted.
<b>18.</b>	<b>Sharing of CDM Benefits</b>	<ol style="list-style-type: none"> <li>1. 100% of gross process on account of CDM benefits to be retained by the project developer in the first year after the date of commercial operation of the generating station.</li> <li>2. In the second year, the share of the beneficiaries shall be 10 % which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the generating company and the beneficiary.</li> </ol>