

# POLICY FOR HARNESSING RENEWABLE ENERGY SOURCES IN UTTARAKHAND WITH PRIVATE SECTOR/COMMUNITY PARTICIPATION

**Dated: 29.01.2008**

Sl. No.	Description	Summary
1.	<b>Objective</b>	<ul style="list-style-type: none"> <li>• To harness the environment friendly RE resources and enhance their contribution to the socio-economic development of the State.</li> <li>• To meet and supplement minimum rural energy needs through sustainable RE projects.</li> <li>• To provide decentralized energy supply to agriculture, industry, commercial and household sector.</li> <li>• To improve the quality of grid power through such projects, as a consequence of tail-end generation and feeding.</li> <li>• To enhance the use of energy sources that assist in mitigating environmental pollution.</li> <li>• To support efforts for developing, demonstrating and commercializing new and emerging technologies in the RE sector and, to this end, help establish linkages with national and international institutions for active collaboration.</li> <li>• To create conditions conducive to the involvement of private investors in RE projects.</li> <li>• To create public awareness and involve users/local community along with their capacity building in establishing, operating and managing RE projects.</li> <li>• To create direct and indirect employment opportunities in the State.</li> </ul>
2.	<b>Potential Proposed to be Harnessed</b>	<ol style="list-style-type: none"> <li>1. <b>Hydroelectric Power:</b> The untapped potential that could be harnessed before 2020 through Micro/Mini/Small Hydro projects is about 600 MW.</li> <li>2. <b>Co-generation:</b> The Sugar, paper, fertilizer, chemical, textile and other industries have an estimated potential of about 220 MW that could be tapped by co-generation.</li> <li>3. <b>Biomass/Agro residue and waste:</b> It is estimated that about 20 million Metric Tons of agro residues and agro industrial/processing waste is produced annually in Uttarakhand. It holds promising potential for generating decentralized power of about 300 MW.</li> <li>4. <b>Urban, Municipal and Industrial Liquid/Solid Waste:</b> At present about 1000 Metric Tons of Municipal, Urban and Industrial solid/ liquid waste is being produced every day in the State.</li> <li>5. <b>Solar Energy:</b> The State is endowed with vast potential of solar energy and the Government of Uttarakhand (GOU) is keen to tap this resource; the State would support efforts for setting up Solar based power projects.</li> <li>6. <b>Wind Power:</b> There is immediate necessity for wind mapping in the State to assess and exploit the available potential.</li> <li>7. <b>Geothermal Power:</b> There is necessity for assessment of geothermal energy in the State to exploit the available potential.</li> </ol>
3.	<b>Sale of Electricity:</b>	<p>On the electricity generated by the RE projects, UPCL will have the first right of purchase; such purchases may be made in whole or part as per the requirement of UPCL. The price of electricity to be purchased by the UPCL will be determined by the UERC.</p>

4.	<b>Wheeling of Electricity</b>	UPCL/PTCUL will undertake to transmit through its grid the power generated and make it available to the producer for captive use or third party sale within/outside the State for which wheeling charges uniformly applicable to all producers would be announced in advance.
5.	<b>Banking:</b>	UPCL would extend the facility of Banking to the Developers at mutually agreed terms.
6.	<b>Evacuation</b>	For evacuating energy from the generation site, requisite network of transmission/ distribution lines would be provided by UPCL/PTCUL.
7.	<b>Land for Municipal Solid Waste</b>	The power generation from Municipal Solid Waste, if Government land (belonging to Urban Local Bodies/Panchayats) is available, the required land for setting up RE projects would be provided on nominal lease rent of one rupee per square meter per year for a period of 33 years subject to further renewal on mutually agreed terms and conditions.
8.	<b>Single Window Clearance for RE Projects</b>	Setting up of RE projects involves sanctions/clearances from a number of Government Agencies/Departments. The State Government would provide requisite clearances in a time bound manner through a single window mechanism. For this purpose a high level empowered committee (composition at Appendix) is constituted to accord necessary approvals/clearances.
9.	<b>Payments For Hydro Projects</b>	<ul style="list-style-type: none"> <li>• All payments would be made in the form of a Bank draft of any Nationalized Bank.</li> <li>• <b>Application fee (Non-refundable):</b> Rs.5000/-</li> <li>• <b>Processing fee (Non-refundable):</b> At the time of signing the Development Agreement <ul style="list-style-type: none"> <li>➤ For Micro projects: Rs. 10,000/-.</li> <li>➤ For Mini projects: Rs. 25,000/-.</li> <li>➤ For Small projects: Rs. 50,000/-</li> </ul> </li> <li>• <b>Security payment:</b> At the time of signing the Implementation Agreement- <ul style="list-style-type: none"> <li>➤ For Micro projects: Rs.20,000/-.</li> <li>➤ For Mini projects: Rs.50,000/-.</li> <li>➤ For Small projects: Rs. 1,00,000/-</li> </ul> </li> </ul>
10.	<b>Competitive Bidding Fee (for Hydro Projects)</b>	Applicants short-listed on the basis of prequalification criteria would be invited to submit their financial bids based on premium payable to the Government of Uttarakhand. For this purpose the following thresh-hold premium is prescribed (bids quoting premium below the thresh hold would be rejected out rightly) :- <ul style="list-style-type: none"> <li>➤ Above 2 MW &amp; upto 5MW: Rs. 1,00,000/- per MW</li> <li>➤ Above 5MW &amp; Up to 25 MW: Rs. 5,00,000/- per MW</li> </ul>
11.	<b>Other RE Projects</b>	<ol style="list-style-type: none"> <li>1. Other RE Projects would be kept open for all categories of developers and these would be allotted on self identification basis or, wherever possible, on tariff based bidding.</li> <li>2. The procedure for tariff based bidding would be prescribed separately. The Self Identified Projects would be allotted on the basis of the following: <ul style="list-style-type: none"> <li>• Evaluation Criteria: For evaluating suitability of a prospective Developer of a Self Identified Projects, the following would be considered-Technical capability and Financial capability.</li> <li>• Payments to be made: All payments would be made in the form of a Bank draft of any Nationalized Bank. <ul style="list-style-type: none"> <li>➤ <b>Application fee (Non-refundable):</b> Rs.5000/-</li> <li>➤ <b>Processing fee (Non-refundable):</b> At the time of signing the Development Agreement- <ul style="list-style-type: none"> <li>❖ For projects upto 1MW: Rs.10,000/-.</li> <li>❖ For projects more than 1MW : Rs.25,000/-.</li> </ul> </li> <li>➤ <b>Security payment:</b> At the time of signing the Implementation Agreement-</li> </ul> </li> </ul> </li> </ol>

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12.	<b>Clean Development Mechanism (CDM)</b>	Projects covered under this policy may not involve cheapest form of generating energy. However, keeping their environment friendly nature, the State would encourage projects to obtain the benefits available under the Clean Development Mechanism (CDM).
13.	<b>Miscellaneous</b>	<ol style="list-style-type: none"> <li>1. In case of augmentation of capacity of Self Identified Projects due to any reason, the developer would be required to pay additional premium of Rs.1 Lakh per MW or fraction thereof for enhancement upto 5 MW and Rs.5 Lakh per MW or fraction thereof in case of enhancement beyond 5 MW along with requisite amount to take into effect the inflation from the date the premium was paid. For State Identified Projects allotted on the basis of open competitive bidding, the extra premium to be paid would be calculated on the basis of a formulation to be specified separately.</li> <li>2. Projects would be offered for a period of 40 years from the date of award at the end of which they shall revert to the GOU or extended further on mutually agreed terms.</li> </ol>
14.	<b>Royalty</b>	<ol style="list-style-type: none"> <li>1. On Micro, Mini and Other RE projects governed by this policy, no royalty payment would be charged.</li> <li>2. On Small Hydro projects governed by this policy, royalty payment for the first 15 years of operation would be exempted. From 16th year of operation, a royalty @ 18% of energy generated would be charged.</li> </ol>