

The Karnataka Solar Policy 2014-2021, Dated: 22.05.2014 with amendment Dated: 12.01.2017, 14.11.2018

Sl. No.	Description	Summary																		
1.	Nodal Agency	(Karnataka Renewable Energy Development Limited (KREDL))																		
2.	Operative Period	The policy will come into effect from 2014 and shall remain in force until 2021 or till such time any changes are made by the State Government.																		
3.	Objectives	<ol style="list-style-type: none"> 1. To add solar generation of minimum 6000 MW by 2021 in a phased manner by creating a favorable industrial atmosphere. 2. To translate Karnataka in to an investor friendly state. 3. To encourage public private participation in the sector. 4. To promote Solar Roof Top Generation and Technologies. 5. To encourage decentralized generation & distribution of energy where access to grid is difficult. 6. Establish a “Solar energy center of excellence and incubation center” at State level for promoting innovation in technology, skill development, and Research and Development. 																		
3.	Applicability	<p>All solar power projects (solar PV and solar thermal) established in the state of Karnataka shall be eligible for benefits under the policy.</p> <ol style="list-style-type: none"> a) Grid connect, utility scale projects b) Grid connect, utility scale projects c) Off Grid projects 																		
4.	Minimum Program Targets	The Government of Karnataka in its endeavor to achieve minimum of 8% contribution from Solar Source out of total energy consumption, excluding Hydro energy by March 2021 in line with the objective of Tariff Policy dated 28 January 2016 and target fixed by MNRE to the State. It is propose to install a minimum 6,000 MW solar power projects by March 2021, where in the target for grid connected rooftop generation projects upto 2,400 MW.																		
5.	Category of Solar Project	<p>Utility scale grid connected solar photovoltaic (PV) and concentrated solar power (CSP) projects.</p> <p>Category 1: Projects to promote distributed generation by land owning farmers throughout the state.</p> <ol style="list-style-type: none"> a) The Government of Karnataka endeavor to promote solar energy projects preferably by land owning farmers with a minimum capacity of 1 MWp and maximum capacity of 3 MWp per land owning farmer in the state for sale of power to ESCOMs at KERC determined tariff from time to time. b) The cumulative capacity under this category shall be limited to 300 MW on first cum basis within the policy period. c) The capacity allocation for ESCOMs is as below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">ESCOMs</th> <th style="text-align: center;">% of total annual energy consumption</th> <th style="text-align: center;">Capacity for the period 2014- 20</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">BESCOM</td> <td style="text-align: center;">48%</td> <td style="text-align: center;">144 MW</td> </tr> <tr> <td style="text-align: center;">MESCOM</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">24 MW</td> </tr> <tr> <td style="text-align: center;">HESCOM</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">60 MW</td> </tr> <tr> <td style="text-align: center;">GESCOM</td> <td style="text-align: center;">13%</td> <td style="text-align: center;">39 MW</td> </tr> <tr> <td style="text-align: center;">CESC</td> <td style="text-align: center;">11%</td> <td style="text-align: center;">33 MW</td> </tr> </tbody> </table>	ESCOMs	% of total annual energy consumption	Capacity for the period 2014- 20	BESCOM	48%	144 MW	MESCOM	8%	24 MW	HESCOM	20%	60 MW	GESCOM	13%	39 MW	CESC	11%	33 MW
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Category 2: Projects selected based on competitive bidding process for capacities more than 3MWp.

The minimum project capacity allocation to each solar power producer for the grid connected solar power plants will be as follows:

Mode of allotment	Technology	Minimum (MW)
Through bidding process	Solar PV	3
	Solar Thermal	10

The capacity planned under this category excludes capacity allotted under JNNSM program.

Category 3: Projects under Renewable Energy Certificates (REC) Mechanism.

The minimum and maximum project capacity allocation to each solar power producer for the grid connected solar power plants will be as follows:

Mode of allotment	Technology	Minimum (MW)	Mode of allotment
Through ESCOM	Solar PV	1	Through ESCOM
	Solar Thermal	10	

There is no limit for cumulative capacity under this category.

Category 4: Projects under Captive/Group Captive Generation.

The minimum and maximum project capacity allocation to each solar power producer for the grid connected solar power plants will be as follows:

Mode of allotment	Technology	Minimum (MW)	Mode of allotment
Through ESCOM	Solar PV	No Limit	Based on transmission evacuation capacity.
	Solar Thermal		

There is no limit for cumulative capacity under this category.

Category 5: Projects under Independent Power Producer.

The minimum and maximum project capacity allocation to each solar power producer for the grid connected solar power plants will be as follows:

Mode of allotment	Technology	Minimum (MW)	Mode of allotment
Through ESCOM	Solar PV	1	Based on transmission evacuation capacity.
	Solar Thermal	10	

Category 6: Projects under Bundled Power.

The minimum and maximum project capacity allocation to each solar power producer for the grid connected solar power plants will be as follows:

Mode of allotment	Technology	Minimum (MW)	Mode of allotment
Through ESCOM / HLPAC	Solar PV	Based on bundled tariff as agreed with the power purchaser	
	Solar Thermal		

Segment 2: Grid connected solar rooftop projects and metering

- a) **Net Metering** : Net metering arrangements are proposed (at multiple voltage levels) to focus on self-consumption of energy generated from roof top PV. The concept is a combination of captive consumption and exchange of power with the utility.

		<p>b) Site Requirement & Interconnection voltage: The project site / installation locations may be decided based on the total energy requirement at the premises and the usable area available for installation of rooftop Solar PV system.</p> <p>c) Interconnection voltages:</p> <table border="1"> <thead> <tr> <th>System capacity</th> <th>Voltage level</th> <th>Voltage level</th> </tr> </thead> <tbody> <tr> <td>Up to 5 KWp</td> <td>240 V/single phase</td> <td rowspan="2">240 V/single phase</td> </tr> <tr> <td>5 KWp to 50 KWp</td> <td>3 phase/415 V</td> </tr> <tr> <td>>50KWp</td> <td>11 KV</td> <td></td> </tr> </tbody> </table> <p>Segment 3: Solar Off-Grid and Decentralized Distributed Generation (DDG). Other initiatives:</p> <p>a) Promotion of distributed generation through small solar parks b) Promotion of integrated solar parks c) Grid tied canal corridor projects d) Grid connected "solar with other renewable hybrid projects".</p>					System capacity	Voltage level	Voltage level	Up to 5 KWp	240 V/single phase	240 V/single phase	5 KWp to 50 KWp	3 phase/415 V	>50KWp	11 KV	
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6.	Evacuation facilities	<p>1. The developer shall be responsible for connecting the generating station to the nearest grid sub-station or inter-connection point with the grid. KPTCL/ESCOs may at the request of developer, take up work of construction and maintain the same on cost basis, which will be borne by the developer.</p> <p>2. KPTCL/ESCOs shall not collect any network augmentation charges towards system augmentation beyond inter-connection point.</p>															
7.	Charges	<p>Wheeling, Banking and Cross Subsidy Charges : Charges shall be applicable as determined by KERC from time to time.</p>															
8.	Reactive Energy Charges	<p>In case of drawl of Reactive Power for the project, necessary charges shall be payable at the rates prescribed by KERC.</p>															
9.	Fees & Charges	Category	Application Fee (INR. Per project)	Facilitation Fee (INR)	Performance Guarantee / Bid Security / MW (INR)	Net worth/ MW (INR)											
		Under Competitive Bidding process.	10,000	100,000 per MW	10,00,000	30% of Capital Cost determined by KERC from time to time											
		REC (Supplying at APPC)	10,000	20,000 per MW	5,00,000	50,00,000											
		Captive/ Group Captive	10,000	25,000 per MW	3,00,000	NA											
		IPP for 3rd party sale	10,000	25,000 per MW	5,00,000	30% of Capital Cost determined by KERC from time to time											
		Bundled Power	10,000	10,000 per MW	NA	NA											
		Rooftop projects (5-50 KWp)	1,000	2,000 per project	NA	NA											
		Rooftop projects (>50KWp and up to 1 MWp)	2,000	5,000 per project	NA	NA											
		Solar Parks	1,00,000 per	25,000 per	NA	2,00,00,000											

		project	project		
		For Solar Projects of Captive/Group Captive and IPP for 3 rd party sale, transfer fee per MW (INR) 1,50,000 and time extension fee shall be per MW (INR): First Year: 1,00,00 Second Year: 2,00,000 Third Year: 3,00,000 Fourth Year: 5,00,000 Government will issue cancellation order after fourth year.			
10.	Fiscal Incentives	Tax concessions in respect of entry tax, stamp duty and registration charges shall be as per Karnataka Industrial Policy.			
11	Government of India Incentives	Various concessions allowed by Ministry of New & Renewable Energy viz central excise duty & customs duty exemptions shall be allowed to project developer.			
12.	Solar Purchase Obligation (SPO)	Through this policy GoK intends to bring various HT categories of consumers with connected load of more than 50 kVA under Solar Purchase Obligation (SPO) with the consent of KERC.			
13.	Land	<ol style="list-style-type: none"> GoK contemplates to facilitate deemed conversion of land for solar projects by amending section 95 of Land Reforms ACT. Purchase of Land: GoK contemplates time bound permissions and for vesting Deputy Commissioners with full powers to approve purchase of agriculture lands U/s 109 of Land Reforms Act for development of solar projects. 			
14.	Clearance	Time bound clearance for evacuation approval from KPTCL. Reduction of supervision charges by KPTCL /ESCOs to 5%.			