

Draft Karnataka Renewable Energy Policy 2014-2020 (Wind, Small Hydro, Biomass, Cogeneration and MSW)

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 3600 MW by 2020 in a phased manner. 2. Provision of “single window” for clearances, approvals and technical consultation 3. To translate Karnataka in to an investor friendly State. 4. Encourage decentralized generation & distribution of energy where grid is inaccessible. 5. Promote R&D and innovations, skill development in the sector. 6. Take up pilots and demonstration projects to establish cost effectiveness, viability and reliability of various technologies like Waste-to-Energy, Hybrid technology projects etc. 																																								
4.	Capacity addition targets	<p>The proposed year-wise targets are as given below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">RE Source</th> <th style="text-align: center;">2014-15</th> <th style="text-align: center;">2015-16</th> <th style="text-align: center;">2016-17</th> <th style="text-align: center;">2017-18</th> <th style="text-align: center;">2018-19</th> <th style="text-align: center;">2019-20</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Wind Power</td> <td style="text-align: center;">350</td> <td style="text-align: center;">400</td> <td style="text-align: center;">425</td> <td style="text-align: center;">450</td> <td style="text-align: center;">475</td> <td style="text-align: center;">500</td> <td style="text-align: center;">2600</td> </tr> <tr> <td style="text-align: center;">Mini, Micro & Small Hydro</td> <td style="text-align: center;">50</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> <td style="text-align: center;">100</td> <td style="text-align: center;">125</td> <td style="text-align: center;">125</td> <td style="text-align: center;">600</td> </tr> <tr> <td style="text-align: center;">Biomass, Cogeneration and MSW</td> <td style="text-align: center;">35</td> <td style="text-align: center;">65</td> <td style="text-align: center;">75</td> <td style="text-align: center;">75</td> <td style="text-align: center;">75</td> <td style="text-align: center;">75</td> <td style="text-align: center;">400</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">435</td> <td style="text-align: center;">565</td> <td style="text-align: center;">600</td> <td style="text-align: center;">625</td> <td style="text-align: center;">675</td> <td style="text-align: center;">700</td> <td style="text-align: center;">3600</td> </tr> </tbody> </table>	RE Source	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Wind Power	350	400	425	450	475	500	2600	Mini, Micro & Small Hydro	50	100	100	100	125	125	600	Biomass, Cogeneration and MSW	35	65	75	75	75	75	400	Total	435	565	600	625	675	700	3600
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5.	Eligibility	All Wind, Small Hydro, Biomass, Cogeneration and Municipal Solid Waste Management projects established in the State of Karnataka during the Operative period shall be eligible for benefits under this policy.																																								
6.	Procedure for Application and Allotment	<p>The net worth of the company shall be at least 30% of the total project cost and the format should be as per Government order No: EN 240 NCE 2011 dated 30-05-2011 or as amended by the GoK from time to time.</p> <ol style="list-style-type: none"> 1. Wind If the Allotment Committee approves the proposal, a facilitation letter valid for a period of 2 years will be issued by the Government to the developer to study the wind potential, preparation & submission of the Detailed Project Report. 2. Small Hydro A Pre-Feasibility Report/Detailed Project Report as applicable containing the preliminary details required for the implementation of the project shall be furnished along with the Application. 																																								

		<p>3. Biomass, Cogen and MSW Applications in respect of MSW Projects will be considered only after allotment of Municipal Solid Waste from the concerned local bodies, details of waste storage shall be furnished along with the initial consent from Pollution Control Board.</p>
7.	Timelines for Implementation Wind Power Projects	<p>Total time period required for implementation of the project is 5 years 6 months from the date of issue of Allotment GO.</p> <p>Stage 1: Two years for data collection and submission of DPR with enhancement if any.</p> <p>Stage 2: One year three months for obtaining all statutory clearances.</p> <p>Stage 3: Three months for technical clearance.</p> <p>Stage 4: Two years for completion and commissioning of the project.</p>
8.	Timelines for Implementation Small Hydro Power Projects	<p>Total time period required for implementation of the project is 5 years from the date of issue of Allotment GO.</p> <p>Stage 1: One year for preparation and submission of DPR with enhancement if any.</p> <p>Stage 2: One year for obtaining all statutory clearances.</p> <p>Stage 3: Three months for technical clearance.</p> <p>Stage 4: Two years nine months for completion and commissioning of the project.</p>
9.	Timelines for Implementation Biomass, Cogeneration and MSW Projects	<p>After issuance of NOC total time period for implementation of the project is 24 months.</p>
10.	Security Deposit or Performance Guarantee	<ol style="list-style-type: none"> 1. The Developer shall provide Security Deposit in the form of Bank Guarantee @ Rs 1 Lakh per MW or as per the prevailing Government order payable to KREDL based on allotted capacity within 45 days of Allotment GO or before the signing of agreement, whichever is earlier. 2. In order to encourage Biomass and MSW projects, the performance guarantee clause is waived off as in Co-gen Power Projects.
11.	Time Extension	<p>Time extension may be recommended by the Nodal Agency to the Government if and only if the delays are due to reasons beyond the Developer's control.</p>
12.	Wheeling & Banking Agreement	<p>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.</p>
13.	Land	<ol style="list-style-type: none"> 1. If the required land is private land, Developer has to acquire the same directly from land owners by any mode of transfer. If it is on lease, the minimum period of lease shall be 30 years. 2. If the required land belongs to Government, the Developer shall approach concerned Department, i.e., Revenue/Forest or irrigation Department, as the case may be for obtaining the land on lease basis in favour of the company, as per the circular No: RD 78 LPG 2009 dated 4.1.2011 and subsequent orders of Revenue Department.
14.	Metering of Electricity	<p>The metering will be done as per Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and amendments issued from time to time.</p>

15.	Reactive Power Charges	The draw of reactive power shall be charged as per the KERC order, as amended from time to time.
16.	Government of India incentives	MNRE, Govt. of India 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.
17.	Additional focus areas for the Government include	<ol style="list-style-type: none"> 1. Encouraging repowering of wind projects: Projects commissioned with lower capacity Wind Turbines are eligible for repowering under this policy. The excess capacity can be considered to get the benefits at the prevailing tariff. 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.
18.	Policy initiatives under consideration of GoK to promote renewable power projects	<p>Akshaya Shakthi 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 Rs 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. The balance will be set apart for Renewable Energy project financing. c) The funds may also be utilized for land acquisition and land development activity for Renewable Energy projects including compensatory afforestation, soil moisture conservation etc. for forest land clearance.
19.	Land	<ol style="list-style-type: none"> 1. GoK contemplates to facilitate deemed conversion of land for projects by amending section 95 of Land Revenue ACT 1964. 2. A separate dedicated cell with staff drawn from revenue department shall be created to ensure creation of Government land banks for development of renewable energy projects on lease basis including formulation of modalities, fees, etc.
20.	Allotments and Clearances	<ol style="list-style-type: none"> 1. Time bound clearance for evacuation approval from KPTCL. Reduction of supervision charges by KPTCL /ESCOs to 5%. 2. Any allotments which failed to show any progress or intent in developing the projects within 6 years from the date of announcement of the policy shall deemed to be cancelled. 3. All projects allotted 10 years before the announcement of this policy and have failed to show any satisfactory progress, their allotments shall be deemed as cancelled.
21.	Hybrid and Distributed Generation projects	<ol style="list-style-type: none"> 1. The GoK encourages large scale grid connected projects that can benefit from existing project infrastructure. In this regard "wind with solar hybrid projects" or "biomass with solar hybrid projects" shall be promoted through this policy. 2. GoK recognizes supporting setting up of upto 2 MW biomass or MSW power project, as smaller plant capacities face no difficulties in sourcing (including transportation, storage and fuel security) and would be ideal for decentralized power production. The target under the category is 25 MW during the Operative Period of the policy.

22.	Biomass, Waste to Energy and Storage	The Centre for Sustainable Technologies (CST), Indian Institute of Science (IISc) has been working in the area of R&D for biomass, waste to energy and storage of energy.
23.	Fiscal Incentives from GoK to promote Renewable projects	<ol style="list-style-type: none"> 1. 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. 2. No green energy cess is applicable on the power procured from renewable energy power projects in the State.
24.	General Conditions	<ol style="list-style-type: none"> 1. If the developers fail to commission at least 50% of the allotted capacity within the stipulated time period, no further allotment shall be entertained. 2. The enhancement of capacity shall be limited to 3 times the original capacity. 3. Any capacity surrendered or cancelled shall be re-allotted on a first cum first serve basis.