

Wind Power Project Policy, 2012, Dated: 30.01.2012 with amendment Dated: 21.02.2013

| Sl. No. | Description | Summary |
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| 1. | Operative Period | <ol style="list-style-type: none"> 1. All the projects allotted or to be allotted under this policy shall operate on Build, Own and Operate (BOO) basis. The BOO period shall begin from the Commercial operation date (COD) and shall be for 25 years or the life of the project, whichever is earlier. After completion of this period, Government shall consider about the renewal of the project. 2. At any site, generation of power by setting up of one or more than one wind turbine generators are called the Wind Power Projects under this policy. |
| 2. | Participation | Any individual/firm/society/organisation/registered company etc. shall be eligible to apply for the development of the project. |
| 3. | Performance Guarantee | <ol style="list-style-type: none"> 1. Developer has to deposit performance guarantee in two stages. First stage of the performance guarantee at the rate Rs. 1 Lakh per Megawatt or the amount as decided by the government from time to time shall be submitted within 30 days of issue of LOA. 2. 0.5 % of the total cost of project shall be deposited as the second stage of the performance guarantee within 30 days of financial closure of the project. 3. The performance guarantee of both the stages shall be valid for a period of six months after the date of commercial operation of the entire project. 4. Developer has to submit performance guarantee at the rate of Rs.7.5 lakh per MW at the time of execution of power purchase agreement, which will be in form of irrevocable bank guarantee and will be released after 3 months from Commercial Operation Date (COD). 5. The performance guarantee payable to department of New and Renewable Energy as per their policy will not be payable in this case. |
| 4. | Permission for Land | <p>Measurement of the land required shall be based on the footprint, determined by the government taking into consideration, the technology of WTG established.</p> <p>Permission for use of Forest land: for the use of forest land the guidelines issued by Forest (Conservation) Act 1980, rules issued by Ministry of forest and environment, Government of India and the State government, from time to time shall be applicable.</p> <p>Permission to use land owned by Schedule Tribes: Project installation on the land owned by Scheduled Tribes may be done by following the provision mentioned in the Section 165 (b) of Madhya Pradesh Land Revenue Code and other provisions. Project installation on lands owned by schedule tribes shall be carried out only under exceptional circumstances and on the basis of mutual consent and agreement.</p> |
| 5. | Grid Interfacing and Evacuation Arrangements | <ol style="list-style-type: none"> 1. Interfacing arrangements, including the transformer panels, protection, metering etc., from the point of generation to the nearest sub-station or an interconnection point or nearest transmission/distribution line shall be the responsibility of developer, subject to fulfilment of technical and safety parameters in accordance with the Madhya Pradesh State Grid Code, Madhya Pradesh Electricity Supply Code, 2004, M.P. 2. This work may be executed by the Madhya Pradesh Power Transmission Company Limited (MPPTCL) and /or the other related Distribution Company |

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| | | of MP State or according to their terms and conditions, the cost of which shall have to be borne by the developer. |
| 6. | Transmission and Distribution | <ol style="list-style-type: none"> 1. The developer shall be free to construct his own dedicated transmission/distribution lines from the point of generation to consumption point. The developer shall also have the right of open access of existing transmission facilities of the State as per the provisions mentioned in the Electricity Act 2003. 2. In case the developer sell power to Third Party Consumers/ Licensee distributor/ Power Trading Company then it shall be bound for payment of wheeling and transmission charges to the MPPTCL/Distribution Company, subject to the final decision taken by M.P. Electricity Regulatory Commission. 3. Metering equipments as specified by MPPTCL/related Distribution Company shall be installed at the generation site/interconnection site in accordance with the provisions of M.P. Electricity Supply Code, 2004 and MPERC regulations for metering at the cost of the developer. |
| 7. | Sale of Power | <ol style="list-style-type: none"> 1. M.P. Power Trading Company shall have the first right to purchase the power generated from the project installed entirely or partly on Government land. 2. Power generated from wind energy shall be sold at the rates decided by M.P. Electricity Regulatory Commission. The tariff determined by transparent bidding process as per the guidelines issued by Central government 'which should not exceed the rates prescribed by the Commission' shall be acceptable to the Commission. 3. If the Unit takes Reactive Power in the project then charges shall be payable at the rates determined by M.P. Electricity Regulatory Commission. |
| 8. | Capacity Utilisation Factor | <ol style="list-style-type: none"> 1. The developer has to ensure that the minimum average of the project CUF (Capacity Utilisation Factor) must be 20 % in a block of 3 years from the date of commercial operation (COD). If the CUF is less than 20 % then in such case the project can be cancelled in the absence of satisfactory reasons. 2. Developer shall have to choose the latest model of wind turbine as per the current guidelines of Ministry of New and Renewable Energy, Government of India. |
| 9. | Surrender of the Project | <ol style="list-style-type: none"> 1. After execution of the agreement developer shall be free to surrender the project but in this case the performance guarantee shall be forfeited. 2. Any developer shall be free to install low capacity wind turbine generator/wind solar hybrid plant (up to 100 K.W. capacities) on the roof of his house or at private site/land. For this the developer shall have to make the scheme registered. The registration shall be free of cost. Other binding provisions of this policy shall be not be applicable for such schemes. 3. Developer shall be eligible for 50 % exemption on stamp duty on purchase private land for the project. If the project is not installed on this land then the exemption shall be taken back and actions for recovery shall be taken as per the Notification No. 70 B-4-08-2-V, date 21-08-2008. |
| 10. | Incentives | <ol style="list-style-type: none"> 1. No energy cess shall be payable on the power supplied by wind power projects. 2. For captive consumption and third party sale the installed project shall be entitled to receive exemption from payment of Electricity Duty for a period of 10 years. |

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| | | 3. In case of power sale to Third party within the State, the related Distribution Company shall avail a wheeling grant at the rate of 4.0 percent from the State government. |
| 11. | Banking | <ol style="list-style-type: none"> 1. Banking of 100 % of energy in each financial year shall be permitted. 2. Developer shall have to pay the 2.0 % of the banked energy as banking fees to the concerned State Distribution Company/State Power Trading Company. 3. Return supply of the banked energy shall be in accordance with the regulation of M.P. Electricity Regulatory Commission— “Cogeneration and generation of electricity from renewable sources of energy (Revision-I) Regulations, 2010” and the regulations issued by MPERC from time to time. 4. After returning the banked energy, if there is any balance energy left, at the end of financial year, then this may be purchased by the concerned State Distribution Company/State Power Trading Company as per the rules/directions of MPERC. |
| 12. | CDM Benefits | Carbon credits or any other similar incentives which are available for such wind power projects shall be made available to the developer as per the guidelines issued by MPERC from time to time. |
| 13. | Evacuation | The evacuation of the power generated from projects up to 15 Megawatt capacities at the nearest 33/11 K.V. sub-station shall be carried out on 33 K.V. lines. If the developer provides the evacuation of the power generated in such stations, then that sub-station may be kept free from power cuts. |
| 14. | Taxes | The exemption from VAT/Entry Taxes for wind power plants shall be available in accordance with the Madhya Pradesh Government Gazette (Extraordinary) Notification No. 380, dated 01.08.09. |