

# Madhya Pradesh Biomass based Electricity (Power) Project Implementation Policy, 2011

Sl. No.	Description	Summary
1.	<b>Applicability</b>	<ol style="list-style-type: none"> <li>1. Maximum Capacity of any project shall not exceed 15 MW.</li> <li>2. If the availability of biomass is reduced than that required for continuous and smooth operation of the plant then the developers shall be allowed to use up to 15% conventional fuel (other than firewood) on the basis of declared rated heat.</li> <li>3. In view to closure forest protection, the proposed biomass-based plant shall be established at a distance of minimum 2 km or more than the periphery of reserved and protected forests of the state.</li> <li>4. The developer will have the freedom for captive use of the electricity generated, within the state / sale to 3<sup>rd</sup> party consumer within the state or sale to state owned power trading Company.</li> </ol>
2.	<b>Performance Guarantee</b>	<ol style="list-style-type: none"> <li>1. To ensure the commitment towards the commissioning of the project, developer shall have deposit the performance guarantee of the amount equal to 1 % of the total project cost.</li> <li>2. Performance guarantee shall be deposited in 2-stages. The developer shall have to deposit the in 1<sup>st</sup> stage, the performance guarantee at the rate of RS 1 Lakh / MW within one month time of project allotment and in 2<sup>nd</sup> stage, the performance guarantee of balance amount at the time submission of DPR. The validity of performance guarantee will be for 30 months.</li> <li>3. 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).</li> </ol>
3.	<b>Tariff</b>	<ol style="list-style-type: none"> <li>1. Developer may sell the power generated to the 3<sup>rd</sup> party or M. P. Electricity Trading Company / Distribution Company.</li> <li>2. Madhya Pradesh Trading Company / Distribution Company may purchase the biomass power generated from the project on the prevailing rate as declared in the tariff order issued by the Madhya Pradesh Electricity Regulatory Commission or as per the State's Policy for power purchase .</li> <li>3. In case of 3<sup>rd</sup> party sale there shall be freedom for sale at the mutual agreed rate.</li> </ol>
4.	<b>Development of Infrastructure</b>	Developer shall arrange separately for ABT (Availability Based Tariff) metering on his own expense for which suitable meter and metering equipments, on injection and drawal points, shall be installed as per the provisions mentioned in Inter State Open Access Regulations-2005 by MPERC.
5.	<b>Electricity Duty and Cess Exemption</b>	All the Biomass –based Power Generating Projects (including Captive) shall be entitled for exemption from Electricity duty and CESS for a period of 10 years from the date of commissioning of the project.
6.	<b>Wheeling Charges</b>	<ol style="list-style-type: none"> <li>1. As per wheeling charges determined by Madhya Pradesh Electricity Regulatory Commission, the Biomass-based Power Projects shall be provided the wheeling facilities by M.P. Power Transmission Company.</li> <li>2. Subsidy of 4% shall be provided by the State government on above wheeling charges, for a period of 10 years from the date of commissioning of project. The balance amount of wheeling charges after subsidy shall be borne by the project developer.</li> </ol>

7.	<b>Third Party Sale</b>	Eligibility for 3 <sup>rd</sup> party sale shall be in accordance with the related provisions of Electricity Act, 2003 and orders / regulations issued, from time to time by Madhya Pradesh Electricity Regulatory Commission in this regard.
8.	<b>Land Allotment</b>	<ol style="list-style-type: none"> <li>1. For utilization of the land, maximum 2 acres of land per megawatt may be used for establishment of biomass-based power generating plants.</li> <li>2. Exemption on Stamp duty on purchase of private land –Developer shall be eligible for 50% exemption on stamp duty on purchase private land for the project.</li> <li>3. Use of non-forest wastelands for biomass production- The maximum area of land for the project will be 100 acres per MW and land will be made available for maximum 5 MW.</li> <li>4. The equipments purchased before commissioning of biomass-based power projects shall be exempted from Entry tax.</li> </ol>
9.	<b>Transfer of Projects</b>	The developer shall require the approval from the Department for transfer of the project prior to Commissioning, to another developer/investor. An additional amount of one Lakh per MW shall have to pay as transfer fee for the transfer of the project, which shall not be refunded.