

Madhya Pradesh Policy for Decentralized Renewable Energy Systems, 2016, Dated: 04.10.2016

Sl. No.	Description	Summary																
1.	Objective	<ol style="list-style-type: none"> 1. Growth of decentralized RE Systems. 2. To reduce dependence on conventional sources of energy. 3. To provide impetus to growth of clean technology in the state of Madhya Pradesh. 4. To reduce distribution losses of Distribution Licensees by decentralized generation. 5. To improve tail-end grid voltages and reduce system congestion. 6. To reduce carbon emissions. 7. To help the State achieve its RPO (Renewable Purchase Obligation). 8. To develop sustainable energy solution for future, and help in achieving energy security of the nation. 9. To encourage job creation in the downstream RE market segment. 10. To help the community realize the importance of judicious use of electricity and involve them in the process of reducing dependence on conventionally produced electricity. 																
2.	Categories	<ol style="list-style-type: none"> 1. Grid Connected RE Systems <ol style="list-style-type: none"> a) Category I : On Net Metered basis b) Category II : Gross Metering with wheeling & banking c) Category III : For consumption within Premises with no export of power (Reduction in Base load during day) 2. Off - Grid RE Systems 																
3.	Target	<p>The year-wise capacity of targets for Grid Connected Solar Rooftop projects set by Government of India for the state is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Targets (in MW)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2015-16</td> <td style="text-align: center;">10</td> </tr> <tr> <td style="text-align: center;">2016-17</td> <td style="text-align: center;">265</td> </tr> <tr> <td style="text-align: center;">2017-18</td> <td style="text-align: center;">275</td> </tr> <tr> <td style="text-align: center;">2018-19</td> <td style="text-align: center;">330</td> </tr> <tr> <td style="text-align: center;">2019-20</td> <td style="text-align: center;">385</td> </tr> <tr> <td style="text-align: center;">2020-21</td> <td style="text-align: center;">440</td> </tr> <tr> <td style="text-align: center;">2021-22</td> <td style="text-align: center;">495</td> </tr> </tbody> </table>	Year	Targets (in MW)	2015-16	10	2016-17	265	2017-18	275	2018-19	330	2019-20	385	2020-21	440	2021-22	495
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4.	Applicability	<ol style="list-style-type: none"> 1. This policy shall become applicable from the date of its notification in the Madhya Pradesh State Gazette. 2. The Policy shall cover the entire State of Madhya Pradesh 																

		<p>3. The policy shall be applicable to all RE Beneficiaries, in whose Premises off-grid or grid connected RE Systems are installed, up to capacity of 2 MW of RE system, subject to MPERC Regulations in this regard.</p> <p>4. Bulk Consumers, who are single point connection Consumers, are also eligible under this policy.</p>
5.	Capacity Limit for RE Systems	Maximum capacity for the individual decentralized RE Systems by RE Beneficiary shall be limited as 2 MW.
6.	Net Metered RE System Capacity limit by Distribution Transformer	The maximum permissible cumulative capacity of all Net Metered RE systems, connected to a particular distribution transformer of the licensee's grid, shall be equal to the rated capacity of the said distribution transformer, subject to MPERC (Grid Connected Net Metering) Regulations, 2015 and subsequent amendments thereof.
7.	Net Metered RE System Capacity limit due to very low consumption in the Premises	If electricity consumption of the RE Beneficiary had been less than the minimum required under relevant consumer category, as specified by MPERC, for any consecutive four months over the last twelve months, the capacity of Net Metered RE System for such RE Beneficiary would be permitted under this policy only up to its contract demand/ sanctioned load (as applicable).
8.	Metering Arrangement	<p>Arrangement for Category-I : energy accounting and commercial arrangements of Net Metered RE Systems shall be as per MPERC (Grid Connected Net Metering) Regulations, 2015 and subsequent amendments thereof.</p> <p>Arrangement for Category – II : Energy banking provision of RE Systems shall be in accordance with MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 and subsequent amendments thereof.</p> <ul style="list-style-type: none"> RE Beneficiaries of this policy, who fall under consumer categories for which the charges on drawing reactive energy from grid are defined by MPERC, shall be required to pay such charges as per prevailing tariff and relevant provisions.
9.	Technical Standards	<p>1. All RE Systems, with or without storage, conforming to the technical specifications specified by MNRE/ CEA/ MPERC/ Nodal Agency, will be eligible for incentives available under this policy.</p> <p>2. For preventing the flow of power into the grid in the absence of grid supply, Distribution Licensee on its cost shall provide Manual isolation arrangement outside the Premises of RE Beneficiary.</p>
10.	Safety of Grid and RE Systems	The ownership of the Net Meter shall rest with the consumer, who shall be liable to pay any costs incurred by the licensee during the operation, maintenance and rectification of the Net Meter.
11.	Open Access	Facility of Open Access will be available to all RE Systems, in terms of Madhya Pradesh Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2005, as amended in October, 2006.
12.	Wheeling Charges	Facility of wheeling will be available to all RE Systems, as per wheeling charges specified by MPERC. For above wheeling charges, GoMP will provide a grant of four percent (4%) in terms of energy injected and the balance, if any, shall be borne by the RE beneficiary.
13.	Banking	Banking shall be permitted in accordance with MPERC (Cogeneration & Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 and its amendments thereof.

14.	Cross Subsidy Surcharges	RE Systems under this Policy shall be exempted from cross-subsidy charges, subject to relevant regulations of MPERC and amendments thereof.
15.	Electricity Duty	<ol style="list-style-type: none"> 1. No electricity duty or cess would be applicable on the Producer of Renewable Energy/RE Beneficiary/Consumer/Licensee for supply/sale/consumption of Renewable Energy from such system installed under this policy for a period of 10 years from the date of commencement of supply by RE System. Further, RE Beneficiary connected at LT level would enjoy such exemption for the lifetime of the RE System. 2. No registration fee shall have to be paid to the Nodal Agency.
16.	Entry Tax/VAT Tax	<ol style="list-style-type: none"> 1. RE Generating System installed under this policy shall not be treated as “construction”, and, therefore, would not attract any additional liability of property tax for installation of RE Systems on their rooftops or Premises. 2. The equipment/parts purchased for installation/repairs/maintenance of RE System under this policy shall be exempted from VAT and entry tax, as per the exemption granted to these systems under Madhya Pradesh VAT (Amendment) Act – 2009 and subsequent amendments thereof.
17.	Renewable Purchase obligation (RPO)	The quantum of energy produced from the RE System of a Net Metered Consumer, who is not defined as an Obligated Entity, shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the Distribution Licensee in whose area of supply the Net Metered Consumer is located.
18.	Renewable Energy Certificates (REC)	The issuance of Renewable Energy Certificate shall be as per the eligibility criteria specified under Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 and subsequent amendments thereof.
19.	Migration from RE Policies	All those RE Beneficiaries, who have registered their RE projects with New and Renewable Energy Department, GoMP under existing solar/wind/biomass policies before notification of this policy, shall be eligible to migrate from existing RE policies to this policy, subject to fulfilment of criteria as indicated in this policy.