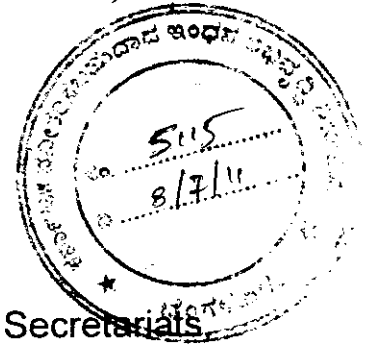


Solar - Policy



GOVERNMENT OF KARNATAKA

No EN 61 NCE 2011

Karnataka Government Secretariat,
Vikasa Soudha,
Bangalore, dated: 01.07.2011

NOTIFICATION

Whereas the draft for the Karnataka Solar Policy 2011-16 was published in the Government Notification no: No EN 61 NCE 2011, dated 02.05.2011 and to promote Solar Power in the State, to fulfill the purchase obligation of Solar Power by the Distribution Companies as per the KERC directives vide its notification No: S/03/1 dated 16.03.2011.

Copy was made available in the official websites of the Energy Department and in Karnataka Renewable Energy Development Limited inviting suggestions/comments/views from the persons likely to be affected thereby.

Notification was also published in the Karnataka Gazette No: K/BG-GPO/2515/WPP-47/2009-2011 dated 19.05.2011, and the said Gazette was made available to the public

Where as comments, suggestions and views were received from different organizations, individuals and public by the State Government and the same has been examined and considered.

Now therefore the Government of Karnataka makes the following policy, namely Karnataka Solar Policy 2011-16.

SOLAR POLICY 2011-16

1. Karnataka has abundant potential for development of solar energy. Under the Karnataka Renewable Energy Policy, it is envisaged that the State will have a target for achieving 126 MW of solar power up to 2013-2014. This includes the power that the State is likely to get under the JNSSM. In the meantime the KERC has issued regulations for procurement of 0.25% of total power consumed, from solar resources. Government of India has also recently taken a decision that 0.25% of the total consumption should be from solar resources, which should go up to 3% by 2022. It is therefore considered necessary to have a separate solar policy, which will extend from 2011-12 to 2015-16.

The objective is to promote solar power as part of the renewable energy generation policy of the Government.

2. Operative Period:

The policy will come into effect from 1.07.2011 and shall remain in force up to 31.3.2016 or until any changes are made by the State Government or by the KERC whichever is earlier.

3. Definitions:

- i) KERC: Karnataka Electricity Regulatory Commission
- ii) JNNSM: Jawaharlal Nehru National Solar Mission
- iii) ESCOM: Electricity Supply Company
- iv) MW: Mega Watts
- v) KREDL: Karnataka Renewable Energy Development Limited
- vi) GOK: Government of Karnataka
- vii) KPTCL: Karnataka Power Transmission Corporation Limited
- viii) REC: Renewable Energy Certificate
- ix) CERC: Central Electricity Regulatory Commission
- x) NLDC: National Load Dispatch Center
- xi) PPA: Power Purchase Agreement
- xii) KPCL: Karnataka Power Corporation Limited
- xiii) CDM: Clean Development Mechanism
- xiv) CEA: Central Electricity Authority
- xv) MNRE: Ministry of New and Renewable Energy

4. Capacity to be installed for procurement by ESCOMS:

It is proposed to install 200 MW up to 2015-16, for the purpose of procurement by the ESCOMS. This will be in addition to the allotment received under JNNSM. The annual capacity approved will be as follows:-

2011-12	2012-13	2013-14	2014-15	2015-16
40 MW	40 MW	40 MW	40 MW	40 MW

The minimum capacity shall be 3 MW and maximum capacity shall be 10 MW per project for Solar Photo Voltaic and Minimum Capacity Shall be 5 MW per project for Solar Thermal.

Power evacuation arrangement shall be through 11kV and above voltage.

5. Capacity Allotment under Clause 4:

Projects for capacity allotment / installation for procurement by ESCOMS will be through a competitive bidding process with the maximum tariff being in accordance with that fixed by KERC in their order dated 13-07-2010.

6. Monitoring Committee:

There will be a monitoring Committee to monitor the implementation of the policy. It will consist of the Additional Chief Secretary/ Principal Secretary to Government, Energy Department who will be the Chairperson, Principal Secretary/Secretary to Government, Revenue Department; Principal Secretary/Secretary to Government, Water Resources Department; Principal Secretary/Secretary to Government, Forest; Ecology and Environment Department; Managing Director, KREDL; Chief Conservator of Forests (Forest Conservation), GOK; Managing Director, KPCL; Managing Director, KPTCL as Members and Deputy Secretary to Government, Energy Department as Member Convener.

7. Captive solar power plants and sale to third party:

Captive power plants and those put up for sale of power to third party (not to ESCOMS) do not form part of the target of 200 MW envisaged in the policy. In such cases the wheeling charges have to be paid at the rates determined by the KERC/CERC as the case may be.

Where open access is granted to any developer, applicable open access charges as approved by KERC/CERC have to be paid.

8. Projects under Renewable Energy Certificate mechanism (REC Mechanism):

Under this mechanism the solar energy generators can sell the electricity to the ESCOMS at the pooled cost of power purchase, as determined by the KERC/CERC/ under the Renewable Energy Certificate mechanism and sell the Renewable Energy Certificate to other obligated entities. The Solar power developers have to apply for accreditation for REC with the State Agency (SLDC) as designated by KERC and thereafter register with the Central Agency (NLDC) as designated by the CERC for the purpose of REC Regulations and issuance of Renewable Energy Certificate and sale will be in accordance with the regulations issued by the Appropriate Commission in this regard. A capacity of 100 MW can be installed in the State under this scheme.

9. Regarding Bundled Power:

The State reserves a capacity of 50 MW to the Central or Karnataka State owned undertaking for setting up solar projects in the State for providing solar power bundled with thermal power from outside the State at the rates to be

determined by the Government subject to the approval of KERC. A maximum of 50 MW solar power will be approved under this clause. This will be in addition to the total proposed installed capacity of 200 MW under clause 4.

10. Purchase obligation:

The quantum of power that is to be procured by ESCOMs from solar resources will be 0.25% of the total consumption. In case of shortfall in the procurement of solar energy by the ESCOMs, it can be made good by purchase of solar specific Renewable Energy Certificates.

11. Sharing of CDM:

Sharing of CDM benefits for those projects under clause 4 will be prescribed in the bidding document.

12. Nodal Agency:

KREDL will be the nodal agency for facilitating and implementing this policy. KREDL shall prepare the bidding documents, such as Expression of interest (EOI), Short listing criteria for Agencies, Request For Proposal (RFP), Details of technical and financial aspects in the proposals, General Conditions of Contract (GOC) and special conditions of contract.

13. Metering and Evacuations:

Metering and Evacuations shall be in compliance with the CEA (Installations and Operation of meters) Regulations 2006 as applicable from time to time and in compliance with the norms fixed by KERC/CERC from time to time.

14. Eligibility conditions for applicants:

The bidding documents will specify the eligibility condition.

15. Implementation of MNRE Schemes:

The State will continue to implement JNNSM and all other schemes of the MNRE.

16. Power to remove difficulties:

If any difficulty arises in giving effect to this policy, the Committee at Clause-6, above, is authorized to issue clarifications as well as interpretations to such provisions, as may appear to be necessary for removing the difficulty either

on its own motion or after hearing those parties who have represented for change in any provisions.

Notwithstanding anything contained in these resolutions, the provisions of the Electricity Act 2003 and the applicable regulations issued by CERC/KERC from time to time shall prevail for the purpose of implementations of this policy.

BY ORDER AND IN THE NAME OF
GOVERNOR OF KARNATAKA,



(SURESH.B.KRISHNAPPAVAR),
UNDER SECRETARY TO GOVERNMENT,
ENERGY DEPARTMENT.

To,
The Compiler, Karnataka Gazette, Bangalore for publication in the Gazette extra-ordinary and to supply 1000 copies to Energy Department, Vikasa Soudha, Bangalore.

Copy to:

1. The Secretary, Ministry of New and Renewable Energy, Government of India, Block 14, CGO Complex, Lodhi Road, New Delhi.-110003.
2. The Managing Director, KPTCL, Kaveri Bhavan Bangalore-560009.
3. The Managing Director, KPCL, Shakti Bhavan Bangalore.
4. The Managing Director BESCO/MESCO/GESCO/HESCO/CESC/PCKL.
- ~~5. The Managing Director, Karnataka Renewable Energy Development Limited, Bangalore.~~
6. The Secretary, Karnataka Electricity Regulatory Commission, Bangalore.
7. The Special Officer Reforms, Energy Department.
8. Executive Engineer(PP), Executive Engineer -1/2/3, EMC Energy Department.
8. The P.S. to Hon'ble Minister for Energy, Vidhana Soudha, Bangalore.
9. The P.S to the Additional Chief Secretary to Government, Energy Department, Bangalore.
10. The P.A. to Deputy Secretary to government, Energy Department, Vikasa Soudha, Bangalore.
11. SGF/office copy/spares.