

GOVERNMENT OF HIMACHAL PRADESH

Himachal Pradesh Solar Power Policy-2016

Sl. No.	Description	Summary
1.	Title	Himachal Pradesh Solar Power Policy-2016.
2.	Operative Period	<ul style="list-style-type: none"> Policy to be valid up to 31.03.2022, unless modified or extended.
3.	Applicability	<ul style="list-style-type: none"> Policy to be applicable to Solar Photovoltaic (SPV) technology However, with the efficiency in Solar Thermal and other solar technologies growing and their relevance to the State in context of competitiveness with Solar PV and SHPs, State may consider these technologies in due course.
4.	Solar Power Potential	National Institute of Solar Energy has estimated a potential of 34 GW and IREDA about 53 GW Therefore, the State has huge solar power potential.
5.	RPPO Obligation (RPPO)	<ul style="list-style-type: none"> HPERC has prescribed a long term RPPO, under which by 2022, HPSEB has to purchase at least 19% of electricity including 3% from solar source of total energy consumption from renewable sources, Against solar RPPO, State requires about 250 MW capacities whereas presently long term source of supply available from CPSUs is about 35 MW. To align the State's target with National target of 100 GW, the state would require about 700 MW capacities to be created by 2022. Preference to purchase from solar generation within the State to be given to achieve RPPO, instead of purchasing power from outside the State and purchase of RECs
6.	Aim, Objective & Approach	<ul style="list-style-type: none"> To promote generation of electricity from solar energy for energy security for sustainable development Contribute to the National objective of increasing the share of Renewable Energy in total energy consumption. Strengthen and sustain the Policy of 100% clean electricity consumption in the State, by providing a suitable alternative to coal and gas based power and to provide firm base load power during the sunshine time of the day , Empower people in the remote and rural areas with 24x7 powers by way of decentralised solar power supply, especially in the unreliable grid systems in the mountains, to meet their basic needs Promote investment, mainly private, so as to derive benefits of jobs, incomes, revenues and growth. Facilitate achieving RPPO by capacity creations in the State State to promote small projects all across the State to meet local needs through local farmers, unemployed youth and other local entrepreneurs and also enable capital investment from outside the State in bigger projects located closer to industrial load centres
7.	Solar Capacity Creations	<p>State to endeavor to set up about 700 MW capacity projects, from solar source, by 2022 in the following mode</p> <ul style="list-style-type: none"> Roof Top Net Metering Electricity consumers of HPSEBL to be eligible to install 1 kW to 5 MW capacity solar PV plants on their building roof top or its premises to be connected to grid with bidirectional meters Consumer to use generation for his consumption and surplus generation injected in the grid. HPERC has already framed Regulations and fixed tariff of Rs. 5 per unit for surplus energy, which is one of the highest tariff in the region, so as to encourage investment. <p>Distributed generation by Farmers and Unemployed Youth:-</p> <ul style="list-style-type: none"> In order to benefit from the Government of India (GoI) scheme of equity contribution of Rs. 50.00 lacs per MW, State to encourage Farmers and Unemployed Youth to set up projects in a distributed and dispersed manner from 500 kW to 5 MW to create capacity of 84 MW.

		<ul style="list-style-type: none"> Projects up to 5 MW, other than those covered under Farmers and Unemployed youth scheme, to be promoted in smaller capacities in a distributed manner across the State; whereas large ones close to load centres and near 33KV and EHT sub-stations. Projects above 5 MW to be near the industrial load centres and close to EHT Sub-Stations, based on competitive bidding basis. State to endeavor to set up above 5 MW capacity projects either by SECI under VGF scheme or by itself in association with SECI. Solar Parks of medium sizes to accommodate 50 MW to 100 MW capacities, in different load locations, to be set up under the Solar Park scheme of Govt. of India. State to create land banks for allocation to power producers, on the lines of industrial estates.
8.	Disposal of Power	<ul style="list-style-type: none"> SPP shall be at liberty to dispose the power generated i.e for captive consumption, sale to any consumer within the State, sale to any trader or exchange or entity or consumer outside the State and sale to HPSEBL HPSEBL is at liberty to purchase from any source. In the land locked areas like Pangi, Lahaul-Spiti, Kinnaur, Dodra Kwar etc. till the time reliable grid is not available, limited capacity for local supply in mini grid mode to be promoted. HPSEBL to purchase power from all producers under the scheme for Farmers and Unemployed Youth, subject to location criteria. Power from smaller projects as distributed generation and larger project up to 5 MW will also be purchased to meet its RPPO and 24x7 supplies obligations in remote areas. Larger projects above 5 MW by IPPs/ SECI may be set up for sale of power outside the State or captive use, if not required by HPSEBL.
9.	Tariff	<ul style="list-style-type: none"> Tariff for purchase by HPSEBL up to 5 MW capacities to be determined by HPERC Regulations Tariff for above 5 MW capacities through competitive bidding. Tariff for roof top installations to be determined by HPERC.
10.	Interconnection with the Grid	<ul style="list-style-type: none"> Solar power generators have the right to use network of HPPTCL and HPSEBL as per conditions laid down in the Open Access and Connectivity Regulation of HPERC. Solar projects up to 2 MW capacity allowed Solid Tap connectivity in 11 kV network Above 2MW capacity project line to be connected to 33 kV or above sub-station. HPSEBL and HPTCL to ensure that solar generations do not suffer due to lack of evacuation infrastructure.
11.	Nodal Agency	<ul style="list-style-type: none"> HIMURJA has been designated as Nodal agency by HP Govt. for registration, co-ordination, facilitation, administration of Centre and State Govt. incentives, grant of consent/approvals etc For Open Access and interconnection to the network, HPSEBL/ HPPTCL to be the dealing authority, as per HPERC Regulations. For Power Purchase Agreement with HPSEBL, if both parties agree to sell and buy, HPSEBL to be the dealing authority. For Roof Top Net metering scheme, Assistant Engineer, Operation Sub-Division, HPSEBL to be the dealing authority for domestic consumers and the load sanctioning authority for others. For statutory clearances/permissions, the concerned Deptt. to be the relevant authority like Revenue Department for lands, Forest Deptt. for Forest clearance etc.
12.	Land Allotment	<ul style="list-style-type: none"> For solar PV technology the maximum limit of land to be 2.5 Hectare/MW or 31 bighas or 62 Kanals, unless in exceptional situations higher quantum of land is required on unavoidable basis. Transfer of Private and Government lands allowed only on lease basis. Project promoter to enter into lease for maximum of 35 years.

		<ul style="list-style-type: none"> • Transfer of Private land on lease shall require prior approval of the State Government • Non-utilisation of the land for the purpose of solar project and non commissioning of the Solar project within the time frame of 3 years, shall be violation of law and land to be vested with the Government. • Transfer of Government land to be in accordance with Lease Rules of the State Govt, in the Revenue Department.
13.	Procedure for Registration of Solar Projects	<ul style="list-style-type: none"> • All solar projects to be treated like industrial investment projects. • Main processes and procedures involved are Registration, PPA, Interconnection, Land Transfers and other routine processes like electricity connection, water connection, approach roads, TCP approvals etc. • Solar Power Projects, except Roof Top Net Metering, to be registered with HIMURJA and letter of approval/consent for setting up project, with commitment for support and assistance for project implementation, to be issued by HIMURJA after prior approval of State Govt. • Such letter approval/consent shall be deemed as approval of the State Govt, and the concerned Departments of the State Govt, shall provide or facilitate providing all administrative and statutory clearances & infrastructure support services • For registration of the projects, following procedures and processes to be followed:- <ul style="list-style-type: none"> (a) HPSEBL to invite applications from prospective power producers for setting up of projects mentioning indicative locations and capacities for small capacity distributed grid connected projects or larger capacities(5MW) in proximity to load centres, across the State in accordance within Solar Power Procurement Policy to be purchased by it on tariff fixed by HPERC. Promoter to give tentative date of Commissioning, which should not go beyond December 2021. If there are less number of applications, HPSEBL may repeatedly invite offers and/or accept direct applications from the promoters for consideration as per its policy. (b)HPSEBL to issue consent letter to purchase power. PPA to be signed when necessary clearances, particularly land approvals, are obtained and project is ready for Financial Closure and if self financed it is ready for implementation. © All the solar projects up to 1 MW capacity in decentralised generation mode, to be set up only on private land, and registered with HIMURJA on provisional basis on the lines of Small and Medium Industrial project. If the promoter intends selling power to HPSEBL, he shall first decide the location of the project in prior consultation with HPSEBL and obtain consent to purchase from HPSEBL. A standard application format to be made available on HPSEBL website to be filed electronically/ other mode of mail. Letter of Registration and Consent to be issued automatically within three days, on a standard format, in token of approval of the State Govt, based on which all necessary approvals shall be granted by all. (d)All the projects up to 5 MW where Govt, land in required, wholly or partly, shall be provisionally registered by HIMURJA with the prior approval of the State Level Empowered Committee (SLEC) with, Principal Secretary, NES / Power GoHP being the Convenor. Committee to meet in such a periodicity that decision on every proposal is made within 15 days of receipt of application by HIMURJA. In case power is to be sold to HPSEBL, prior consent may be obtained by applicant. (e) HIMURJA to issue Essentiality Certificate for transfer of land, Govt, or Private, within one week of application, once the project is registered as per procedure; within the ceiling norms of land per MW capacity. If additional land is required, prior approval of Pr. Secretary, NES/Power to be obtained by HIMURJA before issuing E.C., within 15 days. (f) All the projects above 5 MW shall be Registered with the prior approval of Single Window Clearance Authority constituted for clearance of industrial projects. Wherever, power is purchased by HPSEBL, tariff to be discovered through competitive bidding by HPSEBL, before registration of the project. (h) Solar Parks ranging from 50 MW to 100 MW, to be developed by NES Department with the support of GoHP scheme/otherwise on the lines of industrial Estates, for

		<p>allotment of sites for development of solar projects, close to major load centres or at efficient locations with reliable and efficient grid. A separate scheme to be prepared for Solar Parks and Solar Estates.</p> <p>(g) HIMURJA to charge processing fee(non-refundable) of Rs. 5000 per project up to 1 MW and Rs. 25000 for above 1 MW and upto 5 MW, with application.</p> <p>(i) Permanent Registration to be done by HIMURJA on commissioning of the Project</p>
14.	Time Lines	<ul style="list-style-type: none"> • Three years for project completion after provisional Registration • No Environment clearances, survey and investigations, TECs etc. required for solar projects. • For State Govt/its Agencies, time lines for giving various clearances are laid down in this Policy and also by the concerned Deptts. like for Forest clearance and grant of lease of Govt, lands, permission under Section 118 of the Act for transfer of private land, Regulatory permission etc.
15.	Delay in Commissioning of Projects	<ul style="list-style-type: none"> • Efficiency gains and inefficiencies are to the account of the developer. The developer should insulate and secure himself from all risks at construction / operation stages and be prudent and efficient in management of project. • Where ever HPSEBL has PPA with the projects, it shall be the responsibility of HPSEBL to make provisions in the PPA to regulate delays, which is fair and just to both the parties, if no provisions are made in model PPA approved by HPERC. • If project is set up on personal land, any delay is to the cost of the developer. However, if land is obtained with permission under section 118 of the Act, it shall vest with due process of law, if not utilised for the purpose within the time frame laid down under Law. • If Govt, land is leased out, completion period to be 3 years, subject to further extension of one year to be granted on just grounds, without any fee, failing which lease to be cancelled.
16.	Incentives	<ul style="list-style-type: none"> • Of the total employment potential in the project, at construction and operations stages, 70% employments to be provided to bonafide residents of H.P., with preference to those who transfer private land or to the right holders of the Revenue estate where Govt, land is leased out for project. • Where ever Govt, land, where the right holders have community rights, is lease out for project development, 1% of the total cost of the project to be paid to Local Area Development Fund to the community for community development works, to be decided by the community of the Right holders. • Where private land is used, no such contribution is mandatory but developer may contribute to local development voluntarily. • Investment in the solar power projects to be treated like investment in industrial project. • Generation is delicensed and no approvals and controls are required. • State Govt, to facilitate the developers in obtaining statutory clearances, if any, and procedures and processes for various State level clearances and support to be made simple, transparent with self certified documentation and with clear time lines, so as to ensure doing business with ease. • Land is crucial requirement for solar power projects, because it has to be the most efficient in terms of location, slopes, solar radiation, cost, proximity to EHT/ HT grid and load centres. • HPERC has already engaged ARYABHATTA GEOINFORMATICS & SPACE APPLICATION CENTRE (State Council for Science Technology & Environment, GoHP, Shimla) and NIT Hamirpur for identification of potential sites for private investments in four Districts. • Grant of E.C. for approval under Section 118 of HPT and LR Act will be made normative and automatic. • Land bank of Govt, waste land as Solar Park will be developed to facilitate large investments. • Rs. 5000 Crs. investment required if we align the target to 700 MW and these investments to come mainly in private sector
17.	Application for Registration & Approval	Format available in the Policy