

JAMMU & KASHMIR

Solar Power Policy Dated 18 March 2013

S. No.	Description	Summary
1.	Order	No.47 ST of 2013 dt.18/03/2013
2.	Title	Solar Power Policy 2013
3.	Operative Period	With effect from publication in the State Gazette and to remain in force until superseded or modified
4.	Nodal Agency	JAKEDA to be Nodal Agency in Jammu & Kashmir Divisions and LREDA & KREDA to be nodal agencies for Leh and Kargil Districts respectively.
5.	Installed Capacity	Minimum Project Capacity shall be 1MW
6.	Eligibility	Any company or body corporate or association of body of individuals or project proponents for the purpose of captive use and/or for selling of electricity as per JKSERC/CERC regulations.
7.	Procedure for Allotment of Sites	<ul style="list-style-type: none"> • Nodal Agency to prepare a Land Bank of Potential sites • Available sites to be advertised to seek bids • Applications to be accompanied with non-refundable demand draft for an amount as shall be specified in the bid document. • All bidders will be subject to pre-qualification as per evaluation criteria • Bids to be invited on the basis of upfront premium payable to Govt. of J&K (GoJK) • Bids shall be subject to two- stage Scrutiny. In the first stage pre-qualification of bids to be done on basis of financial and technical capacity as specified in bid documents. • Bidders found technically responsive to submit price bids based on upfront premium per MW payable to the GoJK. • Minimum threshold premium will be specified in advertisement on per MW basis. Bids received beneath this threshold premium shall be rejected. • Project to be allotted to the bidder making highest bid. • In case of identical premium for any site, the bidder securing the highest technical score during pre-qualification shall be awarded the project • If after advertisement of the project site, only one tender is received, fresh advertisement will be issued. if again single bid is received , it will be considered on basis of technical ad commercial capacity with minimum threshold premium or premium quoted by him whichever is higher.
8.	Evaluation/Pre – qualification Criteria	<ul style="list-style-type: none"> • Pre-qualification of bidder to be based on financial and technical capacity to mobilize the required resources. • Applications to be graded on basis of balance sheet, annual reports and other supported evidence of financial and technical capabilities • Weightage to be given to financial capacity, technical capability and past experiences etc. • Guidelines for evaluation for pre- qualification shall be specified in bid documents. • In order to technical qualify, the entity shall have an agreement with proven technology supplier of Solar Power Projects for supply of equipments for the plant.
9.	Self Identification of Projects	<ul style="list-style-type: none"> • On receipt of any proposal for a particular site (Govt. Land) not yet advertised , the Nodal Agency to examine the feasibility of the site and determine the optimum power potential that can be harnessed while evaluating the price bid. • In case the project site is found feasible, it will be advertised to seek bids. • While evaluating the price bid, Swiss challenge method shall be adopted with the first right of refusal given to the party which has identified the site. • In case of project on private/personal land, nodal agency to examine the feasibility of the site to determine the optimum power potential that can be harnessed and recommend the application to MNRE with prior approval of PAC.

S. No.	Description	Summary
		<ul style="list-style-type: none"> • In case, the project doesn't require tariff subsidy or MNRE incentive the case to be cleared by PAC with or without the approval of Nodal Agency and PDD / its successor companies to provide open access and sign the transmission supply agreement for grant of open access. • In case of lease of Govt. land, the case to be referred to Revenue Department for decision.
10.	Incentives to the Power Developers / Allotment of land	<ul style="list-style-type: none"> • Solar Power plants (SPPs) installed and commissioned during the operative period to be eligible for the incentives declared under this policy for 25 years from the date of scheduled commissioning as approved by MNRE . • No entry tax to be levied by the state Govt. on Power generation/transmission equipment and building material used for SPPs. • Government land to be leased to the developer on payment of premium/rentals to be determined by the Government till the expiry of concession period. • In case of non availability of Govt. Land, the land to be arranged by Science & Tech. department J&KEDA / LREDA / KREDA and will be leased out to IPP as token rate to be decided by PAC. • Govt. to facilitate forest land, if required, and compensation etc. to be paid by entity. • Mortgage deed in favour of financing institution exempted from payment of stamp duty. • Exemption from court fee for registration of documents for lease of land • No royalty in the shape of free power to be paid for solar projects. • Financing as per Govt of India guidelines besides other incentives given by state or centre. • Electricity duty for self consumption /sale to third party/ sale to licensees' @4 paisa/ unit. • Exemption from demand cut of 50% of installed capacity for captive use. • Additional upfront premium, If any, based on upward revision at DPR stage shall be paid within one month of accord of approval.
11.	Schedule of implementation	<ul style="list-style-type: none"> • Entity to prepare and submit the DPR/ company profile etc. for obtaining statutory clearances/approvals from State govt. and regulatory authority. • Entity to be responsible for submission of documents to concerned authorities within 12 months from the date of allotment. • Entity to achieve the financial closure within three months from the date or receipt of all statutory approvals and clearances. • Project to be completed and made operational within 24 months after receiving all statutory clearances. • Failure to fulfil any of the commitments/ conditions to result in automatic cancellation of the allotment of site and forfeiture of upfront premium amount. No Compensation would be payable to the entity in such instances. • Entity to deposit upfront premium to the Nodal Agency within one month from the date of allotment of the site.
12.	Transmission /Wheeling charges	<ul style="list-style-type: none"> • Transmission to be on T&D network of Power Development Department (PDD), wherever feasible. • Point of interface between the network of PDD and SPP shall be specified in the agreement executed between PDD and the entity • Transmission/Wheeling charges to be applicable as per J&K SERC for sale of Power within or outside the state • Banking for captive use or/and for 3rd party sale shall be provided for 2 months.
13.	Sale of Energy	<ul style="list-style-type: none"> • Can be used for captive use or sold to PDD or any 3rd party in or outside state • For sale to PDD, Tariff as per JK SERC
14.	Plant and Machinery	<ul style="list-style-type: none"> • Only new plant and machinery shall be eligible for installation under this policy

S. No.	Description	Summary
15.	Metering of Electricity	<ul style="list-style-type: none"> • Electricity generated from the SPPs, shall be metered at the inter section point with the SEMS on monthly basis jointly by developer & PDD. • Project to provide ABT compliant meters at the interface points
16.	Grid Connectivity and Evacuation	<ul style="list-style-type: none"> • Evacuation facility through open access shall be provided after analysing the system availability. • The developer to be responsible for developing necessary infrastructure upto inter connection /interface point to facilitate connectivity synchronisation with the grid for remote areas it shall be in accordance with policy of Government of India
17.	Open Access for Third Party Sale	<ul style="list-style-type: none"> • The infrastructure facilities of PDD as available will be provided subject to payment of Open Access charges & losses as approved by JKSER. T&D losses also to be borne by the developer.
18.	Renewable Purchase Obligation	<ul style="list-style-type: none"> • Applicable as per JKSERC regulations
19.	Reactive Power Charges	<ul style="list-style-type: none"> • Reactive power availed from the generating stations to be charged as per JKSERC order.
20.	Penalty For Non-Fulfilling Power Purchase Obligation	<ul style="list-style-type: none"> • Distribution licensees in J&K are mandated to purchase solar power specified by JKSERC • Distribution licensee failing to meet minimum solar power purchase obligation specified by JKREC shall be liable to pay a penalty at the forbearance price determined by CERC or actual per unit generation tariff fixed by JKREC whichever is lower to the nodal agency, which will be passed on to the developer.
21.	Clean Development Mechanism	<ul style="list-style-type: none"> • Developer to pass on the gross benefits of CDM to the Distribution licensee with whom PPA is signed • Solar Power Projects eligible to possess one trading RE certificate per every 1000units of energy (1MWH) wheeled to the Distribution utility or any other licensee
22.	State Government Facilitation Agency	<p>JAKEDA, LREDA & KREDA to facilitate and implement the solar power policy and assist the project developers as under:</p> <ul style="list-style-type: none"> • Identification of location for solar project, preparing a land bank and infrastructure facilities to the project site • Facilitation in obtaining clearances and approvals from state government. • Recommending the project to avail benefits declared by Gol etc after approval of PAC • Getting approvals of state transmission utility (PDD) for interconnection. • Getting connectivities to the sub-station of STU/DU
23.	Mid Term Review	<ul style="list-style-type: none"> • State Govt, may undertake mid-term review of this policy after 3 years or as and when the need arises.
24.	Power to Remove Difficulties	<ul style="list-style-type: none"> • Vested with Project Approval Committee
25.	Regulatory Oversight	<ul style="list-style-type: none"> • Aspects of this policy that require regulatory approvals would be subject to such approvals in the manner approved by the regulator
26.	Role of Nodal Agency	<p>Respective Nodal Agencies shall be responsible for:</p> <ul style="list-style-type: none"> • Invitation of Bid • Evaluation of the Bids received • Allotment of the SPP sites • Forwarding the project proposals to MNRE, Gol for grant of CFA. applicable for development of SPPs • Monitoring the progress of the project and project appraisals
27.	Project Approval Committee	<ul style="list-style-type: none"> • The project approval committee under the chairmanship of Administrative secretary, Science & Tech. Department will be constituted separately by Science & Technology department to approve Solar Power Projects