

## GOVERNMENT OF KERALA

### Kerala Solar Energy Policy 2013

Sl. No	Description	Summary
1.	<b>Order</b>	G.O(P) No. 49/2013/PD Dated-Thiruvananthapuram, 25/11/2013
2.	<b>Title</b>	Kerala Solar Energy Policy 2013
3.	<b>Objective</b>	<ul style="list-style-type: none"> <li>• To increase the installed capacity of the Solar sector in the State to 500MW by 2017 and 2500 MW by 2030</li> <li>• Contribute to long term energy security of the State of Kerala as well as ecological security by reduction in carbon emission</li> </ul>
4.	<b>Nodal Agency</b>	Agency for Non conventional Energy and Rural Technology (ANERT)
5.	<b>Operative Period</b>	Policy to come into operation with effect from the date of publication and will remain in force until superseded or modified by another Policy.
6.	<b>Financing the Projects</b>	<ul style="list-style-type: none"> <li>• For off-grid systems the policy seeks to ensure bank finance at attractive rates and provide generation based incentives.</li> <li>• Existing capital subsidies to be restructured appropriately for the same.</li> <li>• For grid- connected systems Government to initiate a programme by providing generation facilities on all public buildings.</li> <li>• Policy urges to make use of the roof top and premises to install Solar plants to match maximum demand of the concerned office, within a period of 2 years time.</li> <li>• For grid - connected systems in non-Government buildings / premises the incentives shall be on the basis of net metering, feed-in tariff and Renewable Energy Certificate mechanism.</li> <li>• For off-shore generating plants, projects to be structured on competitive bidding basis in IPP mode.</li> </ul>
7.	<b>Legal and Regulatory Framework</b>	<ul style="list-style-type: none"> <li>• Support the formulation of regulatory environment to encourage use of Solar applications.</li> <li>• Legally enforce use of electricity from Solar source in specified sectors of energy use.</li> <li>• A tariff incentive for consumers opting for Solar generation to be offered.</li> <li>• Incentive for people's representatives / panchayats for promoting Solar installations and street light optimization.</li> <li>• Solar Procurement Obligation (SPO) will be mandated for Commercial consumers with more than 20kVA connected load, LT Industrial with more than 50kVA connected load and for all HT &amp; EHT consumers in a phased manner.</li> <li>• All HT/EHT consumers shall have to procure 0.25% of their energy consumed through SPO till March 2015 with 10% increase every year.</li> <li>• From April 2015 onwards the same shall be applicable for commercial consumers and LT industrial as per the criteria mentioned above.</li> <li>• The above to be made applicable for domestic consumers consuming more than 500 units per month at a later stage.</li> <li>• The above consumers to fulfill their SPO by               <ul style="list-style-type: none"> <li>– Buying equivalent to or more than their SPO from third party developers of Solar Power projects in the State of Kerala.</li> <li>– Buying RECs generated by Solar Power projects in the State equivalent to or more than their SPO.</li> <li>– Purchasing power from KSEB at Solar Tariff</li> <li>– Consumers availing SPO exemption by captive Solar generation to install separate meters to measure captive generation.</li> </ul> </li> <li>• All new domestic buildings having a floor area in between 2000 sq.ft to 3000 sq.ft to install at least 500W Solar PV system and above 3000 sq.ft, 1000W Solar PV system.</li> </ul>
8.	<b>'Feed-in-Tariff', 'Net Metering' and Pooled Cost of Energy' of the Utility Applicable to Solar energy</b>	<ul style="list-style-type: none"> <li>• KSERC to notify the normative Feed-in-Tariff of Solar power for procurement by KSEB in case of off-site commercial installations.</li> <li>• Agencies that consume grid power and have installed solar installations with Government subsidy, only net metering to be applicable.</li> <li>• KSERC to annually notify the Pooled Cost of Power Purchase of the utility as applicable to Solar power sector, as required under CERC Regulations 2010, to tap the Renewable Energy Certificate market.</li> </ul>

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9.	<b>Grid Interfacing</b>	<ul style="list-style-type: none"> <li>Developers requiring grid connectivity to apply to the utility and utility to provide connectivity if found feasible after collecting a processing fee.</li> <li>KSEB to act as single window service provider to all grid connected Solar plants in association with other state agencies</li> </ul>
10.	<b>Procurement Policy on Grid Connected Solar Plant</b>	<ul style="list-style-type: none"> <li>KSEB to have first right of refusal for the power from the plants established in private lands / premises, except in cases of self/captive use.</li> <li>Sale of power to KSEB shall be at a tariff decided by KSERC or at the pooled cost of the power purchase of the utility or net metering.</li> </ul>
11.	<b>Reservation of Land for the Renewable Project</b>	<ul style="list-style-type: none"> <li>Developer to be responsible to identify the land for project.</li> <li>Government to assess the land suitable for the development of Solar installations in the possession of Government/ private / tribal individuals.</li> <li>For tribal lands, in addition to the lease rentals, a revenue (not profit) sharing mechanism for the land owner is envisaged as follows: <ul style="list-style-type: none"> <li>Willingness of the land owner is mandatory.</li> <li>Land ownership rights shall continue to fully vest with the original owner.</li> <li>Developer shall have only rights to setup and operate the project.</li> <li>Land owner will have the right to use land for agricultural purpose.</li> <li>Revenue (not profit) sharing based on the power generated, possibly in the range not below of 5% is envisaged.</li> <li>The payment of share of revenue shall be made directly to the bank account of the land owner. For this purpose a tripartite agreement has to be entered into among the developer, the land owner and the KSEB.</li> <li>Only lands which do not have an immediate productive use shall be thus identified/ permitted.</li> </ul> </li> </ul>
12.	<b>Settlement of Energy Charges</b>	Energy charges for the grid connected plant to be settled on a monthly basis between the developer and the utility.
13.	<b>Incentives / Facilities</b>	
(a)	<b>Evacuation Facility</b>	<ul style="list-style-type: none"> <li>KSEB to create necessary evacuation facility beyond the pooling station for the projects upto 10MW capacity.</li> <li>For higher capacity plants, KSEB to construct the evacuation facility on deposit work basis.</li> </ul>
(b)	<b>Open Access Charges</b>	No open access charges for wheeling the power within the state.
(c)	<b>Wheeling Charges and T&amp;D Losses</b>	Not applicable for the Captive Solar generators within the state.
(d)	<b>Electricity Duty</b>	Energy generated from the plants to be fully exempted from paying the Electricity duty
(e)	<b>Banking Facility</b>	Conditional Banking facility available to captive generators.
14.	<b>Implementation of the Policy</b>	<p>Administration of this policy entrusted with the State Level Empowered Committee (SLEC) under the Chairmanship of Additional Chief Secretary/Principal Secretary (Power), GoK with following main responsibilities:</p> <ul style="list-style-type: none"> <li>To suggest necessary amendments to the policy to remove difficulties in implementing the policy</li> <li>Give approval for the developer requiring land allocation from the government</li> <li>Approval for utilization of land designated by ANERT for development of renewable energy;</li> <li>Specifying the time schedule of eligible projects for which land had been allocated</li> </ul>