

ANDHRA PRADESH SOLAR POWER POLICY – 2018, Dated: 03.01.2019

Sl. No.	Description	Summary
1.	Operative Period	5-Yrs Solar Power Projects (SPP) that are commissioned during the operative period shall be eligible for the incentives declared under this policy, for a period of ten (10) years from the date of commissioning - unless otherwise the period is specifically mentioned for any incentive.
2.	Objectives	<ol style="list-style-type: none"> 1. To target a minimum total solar power capacity addition of 5,000 MW in the next five years in the State with a view to meet the growing demand for power in an environmentally sustainable manner. 2. To develop solar park(s) with the necessary utility infrastructure facilities to encourage developers to set up solar power projects in the State. 3. To promote distributed generation that can help in avoiding upstream network cost and contribute towards loss reduction. 4. To deploy solar powered agricultural pump sets and meet power requirements of farmers during day time. 5. To promote local manufacturing facilities which will generate employment in the State.
3.	Eligibility	<ol style="list-style-type: none"> 1. All registered companies, Government entities, partnership companies/firms, individuals and all consumers of APDISCOM(s) will be eligible for setting up of Solar Power Projects within the State for sale of electricity/captive use, in accordance with the Electricity Act – 2003, as amended from time to time. 2. Before allocating the capacity for development, the Nodal agency shall apprise whether the proposal is technically, financially and commercially feasible.
4.	Sale of power to AP Discom(s)	<ol style="list-style-type: none"> 1. The Government will promote setting up of Solar Power Projects for sale of power to APDiscoms. 2. It is envisaged that the Discoms would procure around 2,000 MW of solar power capacity in a phased manner within the next five (5) years depending on the requirement in the State. 3. As per the communication vide DO Lr No. 8/7/2017-EFM, dt 12.01.2018, the MNRE has informed that the competitive bidding guidelines for solar power does not cover projects below 5 MW capacity for intra-state and accordingly the procurement of power from solar power projects having capacity less than 5 MW shall be at Feed in Tariff (FIT) determined by AP Electricity Regulatory Commission to the extent power required within the State.
5.	Third party sale / Captive use	The government will encourage solar power producers to set up SPPs for captive use within the State or third party sale within and outside the State of Andhra Pradesh. These projects will also qualify for Renewable Energy Certificates (RECs) subject to applicable regulations/ guidelines issued by the appropriate commission.
6.	Solar Parks	<ol style="list-style-type: none"> 1. The Government of A.P will develop initially 4000 MW capacity Solar Parks. 2. The State will extend all facilities and fiscal incentives provided by Central Government/ National Solar Mission to the manufacturers in Solar Parks. 3. Special Purpose Vehicle(s) (SPV's) will be established for development of infrastructure and management of Solar Park.
7.	Solar Rooftop Projects – Gross/Net Metering	<ol style="list-style-type: none"> 1. The consumer(s) are free to choose either net or gross meter option for sale of power to Discom under this policy. 2. The applicable tariff for either of the cases shall be equal to the average pooled power purchase cost which will be determined by APERC for the

		<p>year during which the project is synchronized with the grid and the applicable tariff at the time of CoD will be paid for 25 years, in case of projects executed under both net metering and gross metering basis.</p> <ol style="list-style-type: none"> The metering facility will be extended for all Eligible Developers who intend to setup solar photovoltaic plants at their premises. All approvals/clearances shall be disposed by the respective Discom within 14 days from the date of application. The projects of capacity upto 1000 KWp at a single location will be permitted. The projects set up on the roofs of the buildings and also in the open areas within the premises of the consumer are categorized as solar rooftop projects, as per the guidelines of MNRE. The modalities for implementing the rooftop policy including metering, billing, settlement, payment(s) and technical aspects etc. shall be issued by APEPDCL within 30 days from the date of issue of this policy, which would be followed by all DISCOMS in the State.
8.	Solar Pump Sets	<ol style="list-style-type: none"> The State government in collaboration with the Central Govt/MNRE /MOP/Multilateral agencies will undertake measures to enable gradual replacement of conventional pumpsets to solar powered pumpsets through subsidy support. It is envisaged that 50,000 solar powered pumpsets will be operational in the State in the next five years without any additional financial burden on the farmers.
9.	Incentives from the State Government	To enable solar power capacity addition in the State, following incentives shall be provided for Eligible Developers for those projects setting-up during the operative period mentioned in this policy.
10.	T and D charges for wheeling of power	Transmission and Distribution charges shall be exempted only for connectivity to the nearest Central Transmission Utility (CTU) via State Transmission Utility (STU) network for inter- state wheeling of power subject to the consent of APERC.
11.	Energy Banking	<ol style="list-style-type: none"> Banking of 100% of energy shall be permitted during all 12 months of the year, based on the feasibility and prior approval of APTRANSCO/APDISCOMS. Banking charges shall be adjusted in kind @ 5% of the energy delivered at the point of drawal. The banking year shall be from April to March. Drawals from banked energy shall not be permitted during five (5) month period from 1st April to 30th June and 1st February to 31st March of each financial year. In addition, drawls of banked energy during the Time of the Day (ToD) applicable during the peak hours, as specified in the respective Retail Supply Tariff Order, shall also not be permitted throughout the year. The unutilized banked energy shall be considered as deemed purchase by Discoms at 50% of the Average Pooled Power Purchase Cost as determined by the APERC for the applicable year. Energy settlement shall be done on monthly basis. The payment for the deemed purchase of un-utilized banked energy shall be capped to 10% of the total banked energy during the applicable year.
12.	Open Access	<ol style="list-style-type: none"> Intra-state Open Access clearance for the whole tenure of the project or 25 years whichever is earlier will be granted as per the APERC Regulations amended from time to time. In absence of any response or intimation from the Nodal Agency to the generator within 21 days, then such application shall be considered to be deemed open access.
13.	Renewable Energy Certificate (REC)	All projects developed with the above incentives will be eligible for REC benefits subject to applicable regulations/orders of the appropriate commission.
14.	Grid Connectivity and Evacuation	<ol style="list-style-type: none"> The Eligible Developer shall bear the entire cost of construction of power evacuation facilities from the project upto the interconnection point and/or

	facility	<p>upto APTransco / Discom(s) substation.</p> <ol style="list-style-type: none"> Solar Power Projects will be exempted from paying the Supervision charges to APTransco/Discom(s) only in case of transmission of power from State Transmission Utility (STU) to Central transmission utility (CTU). APTransco /Discom(s) will dispose the proposals for the technical feasibility for evacuation within 14 days from the date of receipt of application. Any upstream system strengthening requirement shall be borne by APTransco/Discom(s) on a priority basis. 		
15.	Deemed Industry Status	The services of single desk portal can be made available for obtaining time bound statutory clearances.		
16.	Non Agriculture Status	Deemed Non-Agricultural (NA) status for the land where Solar Power Projects will be accorded, on payment of applicable statutory fees.		
17.	Must run status	<ol style="list-style-type: none"> Injection from Solar Power Projects shall be considered to be deemed scheduled. 		
18.	Land	<ol style="list-style-type: none"> It is the responsibility of the project developer to acquire the land required for the project. NREDCAP will pay the land cost as decided to the revenue authorities @ 10% of the market value for a period of 10 years. NREDCAP will collect the lease rentals for 25 years period @10% of the value of land with 10% increase in every 5 years block period, from the project developer from the date of commissioning of project and shall utilize for the payment to the Revenue authorities towards land cost and promotion of renewable energy and other new green and clean technologies in AP State. 		
19.	Pollution Clearance	Solar PV power projects will be exempted from obtaining any NOC/Consent for establishment under pollution control laws from AP Pollution Control Board.		
20.	Nodal Agency	New and Renewable Energy Development Corporation of A.P. Ltd (NREDCAP)		
21.	Administrative approval	Sl. No.	Capacity	Application Fee
		1.	upto 5 KWp	Rs.1000
		2.	above 5 KWp to 100 KWp	Rs. 5,000
		3.	above 100 KWp to 1000KWp	Rs,10,000
		4.	more than 1000 KWp	Rs.25,000 per MW
<ul style="list-style-type: none"> In addition, a facilitation fees of Rs 25 per kW shall be applicable for the Eligible Developer who seeks assistance from the Nodal Agency for obtaining single window clearance support. The projects set up under solar parks developed by the Government are exempted from registration of the projects with the State Nodal Agency. 				
22.	Solar Manufacturing	<p>The following incentives shall be applicable for new manufacturing facilities and equipment's, ancillaries related to Solar Power Projects only.</p> <ul style="list-style-type: none"> ➤ Priority allotment of Government land in solar parks on long term lease basis ➤ Exemption from electricity duty for a period of ten (10) years ➤ Preference for Off take of power, PE connectivity and to extend energy banking facility for the projects developed by the manufacturers. 		
23.	Mid-Term Review	State Government may undertake a mid-term review of this policy after a period of two years or as and when need arises in view of any technological breakthrough or to remove any inconsistency with Electricity Act 2003, rules and regulations made there under or any Govt. of India policy.		