

# Policy for promotion of New and Renewable Energy Sources – 2009, Bihar

Sl. No.	Description	Summary								
1.	<b>Eligibility</b>	<ol style="list-style-type: none"> <li>1. The policy will be applicable for the development of all sectors of New and Renewable Energy sources including Biomass &amp; biogas based projects, cogeneration projects, mini/ micro/ small hydro projects (upto 25 MW), wind power project, solar projects, Municipal solid waste based projects and any other renewable resource based project.</li> <li>2. This policy will be applicable to all New and Renewable Energy projects that have not been commissioned and are yet to be operational.</li> </ol>								
2.	<b>Land</b>	<ol style="list-style-type: none"> <li>1. Government land in the industrial area, if available and identified by the developer, may be leased in accordance with Government of Bihar policy for the allotment of land.</li> <li>2. The project developer may purchase private land directly from the owners, on their own.</li> <li>3. Use of agricultural land may be allowed for non-agricultural purposes.</li> </ol>								
3.	<b>Grid Interfacing and Evacuation Arrangement</b>	<ol style="list-style-type: none"> <li>1. The project developer shall necessarily offer to supply to Bihar State Electricity Board (BSEB)/ Distribution Licensee a minimum of 25% of power generated from the respective New and Renewable Energy project. However, the acceptance of such offer for supply of power shall be at the sole discretion of BSEB/ Distribution Licensee.</li> <li>2. The entire project cost of transmission system for evacuation of power to the nearest grid/ sub-station including all metering &amp; protective instruments shall be borne by BSEB, which shall be reimbursed to BSEB by the State Government, provided that the project developer offer to supply BSEB/ Distribution Licensee atleast 50%, subject to a minimum of 2 MW, of power generated from New and Renewable Energy projects.</li> </ol>								
4.	<b>Sale/ wheeling of Power</b>	The project developer may sell the generated power to grid to the State grid/ BSEB after the captive consumption, if the power available is more than 1 MW.								
5.	<b>Project Monitoring</b>	<p>All New and Renewable Energy projects approved after coming into operation of this policy shall be required to adhere to the following schedule:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Activity milestones</th> <th style="text-align: center;">Time period from the date of SIPB approval</th> </tr> </thead> <tbody> <tr> <td>Financial closure and placement of firm order for purchase of plant and machinery for the project and payment of requisite advance or opening of irrevocable letter of credit with suppliers/ contractors</td> <td style="text-align: center;">8 Months</td> </tr> <tr> <td>Receiving of plant and machinery for the project at site</td> <td style="text-align: center;">18 Months</td> </tr> <tr> <td>Commissioning and commercial operation</td> <td style="text-align: center;">24 Months</td> </tr> </tbody> </table> <p>All New and Renewable Energy projects approved before coming into operation of this policy, but not yet commissioned shall be required to adhere to the</p>	Activity milestones	Time period from the date of SIPB approval	Financial closure and placement of firm order for purchase of plant and machinery for the project and payment of requisite advance or opening of irrevocable letter of credit with suppliers/ contractors	8 Months	Receiving of plant and machinery for the project at site	18 Months	Commissioning and commercial operation	24 Months
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6.	<b>Electricity Duty</b>	The electricity generated from the New and Renewable Energy projects shall be exempted from electricity duty						
7.	<b>Entry Tax</b>	Entry tax on New and Renewable Energy source devices/equipment/machinery shall be exempted.						
8.	<b>Loans</b>	Loans as per guidelines and incentives/ schemes of the Government of India and/ or Government of Bihar, India Renewable Energy Development Agency (IREDA) and Ministry of New and Renewable Energy, Govt. of India (MNRE) will be offered/ available for proposal of power generation through New and Renewable Energy sources.						
9.	<b>Special Concessions/ Applicability for Biomass based Projects</b>	In order to ensure availability of biomass and sustainability of such projects, having aggregate capacity of more than 2 MW, SIPB shall not approve any other biomass based project within a radial distance of 25 KM from the approved project.						
10.	<b>Renewable Energy Purchase Obligations</b>	<ol style="list-style-type: none"> <li>1. The project developer will be allowed to draw energy for their consumption during maintenance/ shut down period of the project, where BSEB/ Distribution Licensee is procuring power from that generating station, at the rate/ tariff as approved by BERC for such New and Renewable Energy project.</li> <li>2. If BSEB/ Distribution Licensee is not procuring power from that particular generation station, the drawal of energy for their consumption during shut down/ maintenance period shall be at the applicable UI rate (as approved by CERC) plus 5% of maximum UI rate or the applicable rate/ tariff as approved by BERC for purchase of power from such New and Renewable Energy project, whichever is higher.</li> </ol>						