

GUJARAT WIND POWER POLICY - 2016

Government of Gujarat
Energy and Petrochemicals Department
G. R. No.SLR-11-2016-164-B
Sachivalaya, Gandhinagar
Date :02/08/2016

PREAMBLE

Gujarat State is blessed with long coast line and good wind speeds for harnessing of the Wind Energy potential of more than 35,000 MW. Because of earlier conducive Wind Power Policies published by the Government from time to time, it has become possible to achieve an installed Wind Power capacity of more than 3800 MW across the State. Last Wind Power Policy-2013 has expired on 30-06-2016. The State Government is committed to further promote generation from such Clean and Green sources of energy.

The environmental benefits of Wind Energy as an alternative for conventional energy sources are clear and compelling. With an aim to entail a more conducive Policy & investment framework to spur more competition and Private Sector Participation for development of Wind Projects, while keeping balance in interest of all Stakeholders, the State Government pronounces new Wind Power Policy - 2016 as under:

RESOLUTION

1. TITLE

This policy shall be known as the "Gujarat Wind Power Policy – 2016".

2. OPERATIVE PERIOD

This policy will come into effect from the date of G.R. and shall remain in operation for a period up to 30th June, 2021.

The Wind Turbine Generators (WTGs) installed and commissioned during the Operative Period shall become eligible for the benefits and incentives declared under this Policy, for a period of 25 years from



their date of commissioning or for the lifespan of the WTGs, whichever is earlier.

Earlier Wind Power Policy-2013 published vide G.R. dt.25/07/2013 No. EDA-10-2001-3054-B stands extended further till dt.01/08/2016.

3. ELIGIBLE UNIT

Any Individual, company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, will be eligible for setting up of WTGs, either for the purpose of captive use or for selling of electricity to obligated entity(ies) i.e. Distribution Licensee or to any other third party.

Explanation: The use of electricity for own consumption at end use location/s by the owner of WTGs shall be considered as Captive use. *In case of Group Captive, 100% of equity amount is to be invested/ held by Captive Users and they are required to consume entire generation in the ratio of their equity amount invested with a variation not exceeding 10% in consumption on annual basis.*

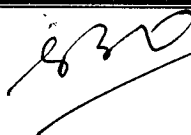
4. ELIGIBLE SITE & LAND

The WTGs may be set up at sites notified by Gujarat Energy Development Agency (GEDA) and/or any other sites identified as potential site, within the State by the Nodal Agency or Developer(s).

5. WTG INSTALLATION CAPACITY FOR CAPTIVE USE

WTG installed capacity in KW/MW for captive use shall be allowed up to *100% of Contracted Demand/Sanctioned Load (in KW/Kva/Mva) of Consumer in case of MSME unit(s) and 50% of Contracted Demand/Sanctioned Load (in KW/Kva/Mva) of other consumers, consuming power from distribution licensee(s).*

In computing 100%/50% of the Sanctioned Load/Contracted Demand, earlier installed Wind power capacity will also be considered, however if already commissioned Wind power capacity before introduction of this Policy is more than 100%/50% of the Sanctioned load/ Contracted Demand, then earlier installed plants will be allowed to continue.



However above limit shall not be applicable to the Captive Consumer (MSME/Non MSME) who establishes single Wind Turbine up to 2.7 MW.

6. STATE GOVERNMENT FACILITATION & NODAL AGENCY

Gujarat Energy Developer Agency (GEDA) shall be the State Government Nodal Agency for facilitation and implementation of the Gujarat Wind Power Policy- 2016. The nodal agency will facilitate and assist the project developers to undertake the following activities in achieving the objectives of the Policy.

- (1) Registration of projects;
- (2) Respond to queries and problems of Developers of Wind Power Projects; and
- (3) Accreditation and recommending Wind Power Projects for registering with Central Agency under REC mechanism.

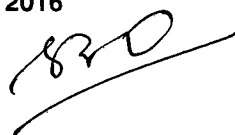
7. LAND

In case the WTGs are to be set up on GEDA land, the allotment of GEDA land on lease shall be done upon approval of the Coordination Committee consisting of the following members. :

1.	ACS/PS/ Secretary (CCD)	Chairman
2.	AS/JS/ Deputy Secretary (EPD)	Member
3.	Chief Electrical Inspector & Collector of Elect. Duty	Member
4.	General Manager (Comm.), GUVNL	Member
5.	Respective District Collector	Member
6.	Director, GEDA	Member Secretary

8. PLANT AND MACHINERY

Second hand WTGs shall not be eligible for installation under this Policy. Only such WTGs, which are approved by MNRE, Government of India shall be eligible.



9. GRID INTEGRATION & SUPPORT FROM STATE UTILITIES

Grid stability and security is of prime importance. Since the penetration of infirm nature of Renewable Energy may endanger grid security, adequate protection measures are necessary.

The Central Electricity Authority (CEA), Gol has published a Gazette Notification No. 12/X/STD/CONN/GM/CEA dated October 15, 2013 known as the Central Electricity Authority (Technical Standards for connectivity to the Grid) Amendment Regulations, 2013, specifying various technical requirements for grid connection of renewable energy sources. These regulations and provisions of Grid Code shall be binding to the WTGs commissioned under the Gujarat Wind Power Policy - 2016.

10. GRID CONNECTIVITY AND EVACUATION FACILITIES

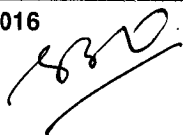
The evacuation facility from the Wind Farm sub-station to Gujarat Energy Transmission Corporation Limited (GETCO) sub-station shall be erected by developer at their own cost.

The voltage level for evacuation of wind power in the grid shall be at 66 kV and above in accordance with the GERC Supply Code and amendment thereof. The WTGs should be integrated by installing Remote Terminal Units (RTUs) by Wind Farm Developers at his cost so that the injection can be monitored at the connectivity sub-station by the SLDC on real time basis, and in accordance with the GERC orders from time to time.

11. METERING&ENERGY RECORDING/ELECTRICITY ARRANGEMENTS

The metering point shall be at the 66/132/220 kV pooling sub-station located at the Wind farm site and interconnection point shall be the point of connection at the nearest GETCO sub-station.

For the purpose of energy accounting, the ABT compliant meter shall be installed at the metering point, as per GERC order. Interface metering shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations-2014 and amendment thereto. GETCO shall stipulate specifications in this regard. The electricity generated from the WTGs, shall be metered and readings taken



jointly by Wind Power Project Developer with GEDA and GETCO at the metering point, on a monthly basis.

Further, for the purpose of accounting, each WTG shall have to provide ABT compliant meters.

12. SALE OF ELECTRICITY TO OBLIGATED ENTITIES

Obligated Entities may purchase power from Wind Power Projects to fulfill their RPO at tariff determined by GERC or rate discovered through competitive bidding. The terms and conditions for supply of power shall be as per the Power Purchase Agreement signed between Wind Project Developer and obligated entity.

13. WHEELING OF ELECTRICITY

For Captive Consumption:

- (1) Wheeling of power to consumption site at 66 kV voltage level and above:

Wheeling of electricity generated from Wind Power Project to the desired location(s) within the State shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer.

- (2) Wheeling of power to consumption site below 66 kV voltage level:

In case injection is at 66 kV or above and drawl is at 11 kV, wheeling of electricity generated from Power Project to the desired location(s) within the State, shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer and 50% of wheeling Charges and 50% of Distribution losses of the energy fed to the grid as applicable to normal open access consumers.

- (3) Wheeling for more than one location:

Wind Power Project owners, who desire to wheel electricity to more than one location, shall pay 5 paise per unit on energy fed in

the grid to the Distribution Company concerned in whose area power is consumed in addition to above mentioned transmission/wheeling charges and losses, as applicable.

For third party sale:

- i. Wheeling of power for third party from Wind Power Project shall be allowed on payment of transmission charges, wheeling Charges & losses of energy fed to the grid, as applicable to normal open access consumers. Set off of wheeled energy at recipient unit(s) shall be carried out in the same 15 minute time block.
- ii. Further, Wind Power Project owners who desire to wheel electricity to more than one location, shall pay 5 paise per unit on energy fed in the grid to the Distribution Company concerned in whose area power is consumed in addition to above mentioned transmission/wheeling charges and losses, as applicable.
- iii. Concession of 50% of Cross Subsidy Surcharge and Additional Surcharge, as applicable to normal open access consumers, shall be given.

14. ENERGY ACCOUNTING

Energy accounting shall be as follows:

- (i) Case 1: If the Consumer does not take renewable attribute of wind energy for meeting its RPO, energy generated by wind power project shall be set off against the consumption during the Consumer's billing cycle.
 - a. For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/demand charge, energy charges, peak charge, other charges/penalty etc., as applicable to other consumers.



- b. Surplus power, after giving set off, shall be purchased by DISCOM at Average Pooled Power Purchase Cost (APPC) of the year of commissioning of project. Fixed/demand charge, peak charge, other charges/penalty etc., shall be as applicable to other consumers.
 - c. The entire generation shall be considered for fulfilling RPO of Distribution Company.
- (ii) Case 2 (a): If the Consumer takes renewable attributes of wind energy consumed for meeting its RPO, then energy accounting shall be based on 15 minute time block-basis.
- a. For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/demand charge, energy charges, peak charge, other charges/penalty etc., as applicable to other consumers.
 - b. Surplus power, after giving set off, shall be purchased by Distribution Company at Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/demand charge, peak charge, other charges/penalty etc., shall be applicable, as applicable to other consumers.
 - c. The surplus wind energy purchased shall be considered for fulfilling RPO of Distribution Company.
- (iii) Case 2 (b): If registered under REC mechanism and supply power within the State: Energy accounting shall be based on 15 minute time block-basis.
- a. For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/demand charge, energy charges, peak charge, other charges/penalty etc., as applicable to other consumers.



- b. Surplus power, after giving set off, shall be purchased by Distribution Company at the rate equivalent to 85% of Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/demand charge, peak charge, other charges/penalty etc., shall be applicable to, as applicable to other consumers.

15. CONCESSIONAL BENEFITS&EXEMPTIONS

- Electricity generated and consumed for self consumption/sale to third party within the State shall be exempted from payment of electricity duty in accordance with the provisions of the Gujarat Electricity Duty Act, 1958 and its amendments from time to time.
- Exemption from demand cut to the extent of 50% of installed capacity of Wind Power Project in case of captive consumption and third party sale within the State.

16. PROJECTS UNDER REC MECHANISM

Wind Power Projects availing open access for captive use/third-party sale under REC mechanism shall be governed as per CERC REC Regulations. Such projects shall be allowed to wheel the electricity on payment of applicable transmission charges/losses, wheeling charges/losses and other charges as applicable to other normal open access consumers. Further, Cross-Subsidy Surcharge and Additional Surcharge shall be applicable as applicable to normal open access consumers.

17. RENEWABLE POWER PURCHASE OBLIGATION (RPO)

Obligated Entities have to abide by the GERC Regulations and Orders from time to time and GERC has been deciding the overall RPO and sub-category- wise procurement of Renewable Energy Power from each Renewable energy Source. Obligated Entities may fulfill their RPO by purchasing wind power at the tariff determined by GERC or tariff discovered through competitive bidding process keeping in view the interest of consumers.

18. FORECASTING AND SCHEDULING

These power projects shall give their forecast and energy shall be scheduled for day-to-day operations.

19. REACTIVE POWER

The drawl of reactive power by wind generator shall be charged as per the GERC Order, as amended from time to time.

20. OPERATION & MAINTENANCE

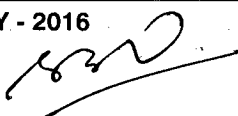
The Operation and Maintenance of dedicated evacuation line shall be carried out at the cost of the Developers of Wind Power Projects as per applicable technical standards and best practices.

21. SHARING OF CLEAN DEVELOPMENT MECHANISM (CDM) BENEFIT

- (1) In case, DisCom purchase power on Feed-in-Tariff, Clean Development Mechanism (CDM) benefits shall be shared on net proceeds, starting from 100% to power producer in the first year after commissioning, and thereafter reducing by 10% every year till the sharing becomes equal (50:50) between the power producer and the power procurer, in the sixth year. Thereafter, the sharing of CDM benefits shall remain equal till the time that benefit accrues.
- (2) In case of purchase of power by DisCom through competitive bidding, the same shall be as per terms and conditions of bid documents.

22. SECURITY DEPOSIT

The WTGs Developer shall be required to provide Bank Guarantee @ Rs. 5 lacs per MW to GETCO based on allotment of transmission capacity and in case the Developer fails to commission the Wind farm s/s and transmission line within the time period mentioned hereunder, GETCO shall encash the Bank Guarantee.



Wind Farm Capacity (MW)	Period of Commissioning of the entire allotted Pooling Sub-Station capacity
1 MW to 100 MW	1.5 yrs. from date of allotment of transmission capacity
101 MW to 200 MW	2 yrs. from date of allotment of transmission capacity
201 MW to 400 MW	2.5 yrs. from date of allotment of transmission capacity
401 MW to 600 MW	3.5 yrs. from date of allotment of transmission capacity

Provided further that the Developer shall commission Wind Farms of at least 10% of the allotted capacity within one month of charging of evacuation line, failing which, the Developer shall be liable to pay long term transmission charges for 10% of allotted capacity till such 10% of allotted capacity is commissioned.

23. REGULATION

The Hon'ble Gujarat Electricity Regulatory Commission shall be guided by this Policy while framing its rules, regulations and orders.

24. POWER TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to this policy, the State Government may at any time, issue clarification/interpretation to remove such difficulties either on its own motion or based on representations from stakeholders.

25. POWER TO INTERPRET

If there is any confusion or dispute about the meaning, intent or purpose of any provision of this Policy, the interpretations given by Energy & Petrochemicals Department, Government of Gujarat shall be final and binding to all concerned.

This issues with the concurrence of the Climate Change Department and Finance Department dated 16-2-2016 and 11-7-2016 respectively on the Department's file of even number.

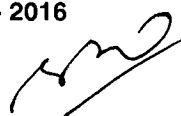
By Order and in the name of the Governor of Gujarat.


(Shobhana Desai)

Additional Secretary to the Government of Gujarat
Energy & Petrochemicals Department

Copy to:

- *The Principal Secretary to H.E. The Governor of Gujarat, Raj Bhavan, Gandhinagar.
- The Secretary, Ministry of Power, Gol, Shram Shakti Bhavan, New Delhi
- The Secretary, Ministry of New & Renewable Energy, CGO Complex, New Delhi
- The Principal Secretary to the Hon'ble Chief Minister, Sachivalaya, Gandhinagar
- The P.S. to Hon. Minister(E&P), Sachivalaya, Gandhinagar.
- The P.S. to Hon. MOS (E&P), Sachivalaya, Gandhinagar
- *The Secretary, CERC, New Delhi
- The Chairman, Central Electricity Authority, New Delhi
- The Deputy Secretary to the Chief Secretary, Sachivalaya, Gandhinagar
- *The Secretary, GERC, Gift City, Gandhinagar
- *The Registrar, Gujarat High Court, Ahmedabad
- *The Secretary, Vigilance Commission, Gandhinagar
- The Principal Secretary, Finance Department, Sachivalaya, Gandhinagar
- The Principal Secretary, Urban Development Department, Sachivalaya, Gandhinagar
- The Principal Secretary, Forest & Environment Department, Sachivalaya, Gandhinagar
- The Principal Secretary, Climate Change Department, Sachivalaya, Gandhinagar
- The Principal Secretary, Revenue Department, Sachivalaya, Gandhinagar
- The Resident Commissioner, Gujarat State, New Delhi
- *The Secretary, Gujarat Legislature Secretariat, Sachivalaya, Gandhinagar
- All Departments of Secretariat, Sachivalaya, Gandhinagar
- All Officers and all Branches of Energy & Petrochemicals Department, Sachivalaya, Gandhinagar
- The Chairman, Power Finance Corporation Limited, New Delhi



- The Chairman & Managing Director, Gujarat Power Corporation Ltd. Gandhinagar
- The Chairman, Gujarat UrjaVikas Nigam Limited, Vadodara
- The Managing Director, Paschim Gujarat Vij Company Limited, Rajkot
- The Managing Director, Gujarat State Electricity Corporation Limited, Vadodara
- The Managing Director, Gujarat State Generation Limited, Gandhinagar
- The Managing Director, Uttar Gujarat Vij Company Limited, Mehsana
- The Managing Director, Madhya Gujarat Vij Company Limited, Vadodara
- The Managing Director, Dakshin Gujarat Vij Company Limited, Surat
- The Managing Director, Gujarat Energy Transmission Corporation Limited, Vadodara
- The Director, Gujarat Energy Development Agency, Gandhinagar
- The Chief Executive Officer, Torrent Power Limited, LalDarwaja, Ahmedabad
- *By Letter

