

Kerala Renewable Energy Policy, 2002, Dated: 03.04.2002

Sl. No.	Description	Summary
1.	Nodal Agency	ANERT (Agency for Non-Conventional Energy and rural Technology)
2.	Objectives	<ol style="list-style-type: none"> 1. Development, propagation and promotion of Non-conventional Energy sources. 2. Exploitation of Natural resources to avail cheaper power. 3. Acceleration of identification, development and implementation of new projects with the long-term objective of substituting all non-renewable sources. 4. Development of Eco-friendly Projects. 5. Provision of "single window" service for technical consultation, sources of finance and project clearance. 6. Decentralised and microlevel power generation through renewable energy sources to reduce expenditure on transmission lines and transmission and distribution losses. 7. Self-sufficiency in Power in the near future. 8. Creation of suitable environment for private participation in Power Generation sectors. 9. Publicity of Renewable Energy through various media.
3.	Eligibility	<ol style="list-style-type: none"> 1. All power producers generating grid-grade electricity (quality of power produced should be equal or above the quality of power in the grid) including power producers from 'stand alone projects' using Non-conventional Energy Sources are 'eligible producers' under the policy. 2. In the case of small hydro projects, only power producers having installed station capacity of and below 25 MW will be treated as eligible producer. 3. Power producers generating electricity for captive consumption shall also be treated as eligible producers. 4. There shall be no restriction on legal structure of entrepreneur in generation of power.
4.	Grid Interfacing	<ol style="list-style-type: none"> 1. Interfacing, including transformers, panels, kiosk protection, metering, HT lines from points of generation to the nearest HT line etc. as well as their maintenance will be undertaken by the producer as per the specifications and requirements of KSEB, for which the eligible producer will bear the entire cost. 2. KSEB will undertake the augmentation of transmission lines and laying of new lines if required. 3. The eligible producer at his cost will install meters to measure the outflow and inflow of energy based on KSEB instructions.
5.	Tariff	<ol style="list-style-type: none"> 1. Power generated through Renewable Energy Sources, if purchased by KSEB, will be at a ceiling rate of Rs.2.50 per unit for power from small hydel power plants. 2. For power from all other renewable energy sources, price will be at a ceiling rate of Rs.2.80 per unit, with base year fixed as 2000-01 and with 5% escalation for every year upto 5 years of operation.

		3. There after the rate shall be mutually settled between KSEB and the eligible producer, in all cases of Renewable Energy sources including SHP.
6.	Banking	<ol style="list-style-type: none"> 100% banking is allowed for the period from June to February for every financial year. From March to June, the producers can bank power with KSEB. If the banked energy is not utilised at the end of the year, it will be lapsed and if this is sold to KSEB, the same will be purchased by KSEB at the average selling rate of KSEB applicable during the corresponding year.
7.	Wheeling	KSEB will undertake to transmit on its grid the power generated by eligible producer and make it available to him for captive use or for banking, at a uniform wheeling charge of 5 per cent of energy fed into the grid, which includes compensation for transmission loss also, irrespective of the distance from the generating station.
8.	Evacuation Arrangement	<ol style="list-style-type: none"> KSEB shall initially bear the expenditure for erection of high-tension sub stations and transmission infrastructure. Developers shall bear the cost of transmission lines from the sub station to the project and all other related equipment such as metering arrangement and protection system, capacitor banks etc.
9.	Settlements on Monthly Basis	All transactions between KSEB and eligible producer involving wheeling, banking or sale of power will be settled on a monthly basis.
10.	Power Purchase Agreement	KSEB and eligible producers under this policy, intending to sell power to KSEB/ to wheel/ to bank will enter into a Power Purchase Agreement (PPA) for a minimum period of five years.
11.	Security Package	KSEB is to provide facilities of an irrevocable, divisible, revolving and confirmed stand by Letter of Credit by any Nationalised Bank. The amount of letter of credit is to be equal to the Expected Payment for one month by Board.
12.	Industry Status	All new projects producing power from Renewable Energy Sources is to be given industry status.
13.	Entry Tax/ Octroi Refund	Renewable Energy equipment and materials shall be exempted from Entry Tax/ Octroi.
14.	Use of Energy Conservation Devices is Made Mandatory	<ol style="list-style-type: none"> Fluorescent and Compact Fluorescent Lamps (CFL) are made mandatory in all new Hospitals, Hotels, Government Offices and offices of Public Sector Undertakings. In the case of existing same Undertakings, where incandescent lamps are used at present, the same should be replaced by Fluorescent and Compact Fluorescent Lamps of prescribed quality within a period of 2 years from the date this policy comes into force. Solar Water Heating Systems are made mandatory in all Lodges and Hotels having 10 or more rooms and in hospitals with 20 beds or more. Energy efficient devices such as, Improved Community Chulhas, gasifiers, etc. are made mandatory in all Hotels, Hostels and Schools with noon meal scheme and in all industries where firewood is used as a fuel.
15.	Mandatory Captive Power Plants	Large Industries having 2000 kVA and above as connected load, should produce at least 5 per cent of their requirement through captive power plants using Renewable Energy Sources.

16.	Green Pricing	Choice of Green Pricing is given to interested customers, who choose to pay extra for the energy generated from Renewable Energy Sources (Green Energy).
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