

Policy for Implementation of Solar Power based Projects in Madhya Pradesh, 2012

Sl. No.	Description	Summary												
1.	Objective	<ol style="list-style-type: none"> 1. To encourage participation of Private Sector to set up Solar Power based projects in the State. 2. To define the incentives and benefits to be provided to the participants of the Private Sector in clear terms. 3. To build a favourable atmosphere for setting up Solar Power projects. 4. Lay down framework for policy implementation. 												
2.	Operative Period	This Policy shall become operative from the date of its notification in the Madhya Pradesh State Gazette.												
3.	Applicability	<ol style="list-style-type: none"> 1. All Solar energy based power project Developers (Solar PV/Solar thermal) and manufacturing units of equipments, ancillaries related to Solar Power projects shall be eligible for benefits under the Policy. 2. Only new plant and machinery shall be eligible for installation under the Policy. 												
4.	Participation	For the development of Solar power Projects under this policy, any Individual/ Firm/ Society/ Institution/ Registered Company etc. shall be eligible to apply.												
5.	Category	<p>Category I : Projects selected as per the competitive bidding process for selling power to MP Discoms / MP Power Management Company .</p> <p>Category II : Projects set up for captive use or sale of power to 3rd party within or outside the state or for sale of power to other states through open access.</p> <p>Category III : Projects set up under Renewable Energy Certificate (REC) mode.</p> <p>Category IV : Projects under Jawaharlal Nehru National Solar Mission.</p>												
6.	Capacity Cap	<p>Category I Projects: They will be as per the guidelines under the Request for Selection (Rfs)/qualification document issued by GoMP from time to time.</p> <p>Category II Projects: The minimum and maximum single project capacity allocation to each Solar power producer for the grid connected Solar power plants to be installed on Government land (there will be no maximum capacity cap for projects to be installed on private land).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S.No.</th> <th>Technology</th> <th>Minimum Capacity (MW)</th> <th>Maximum Capacity (MW)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Solar Photovoltaic</td> <td style="text-align: center;">0.025</td> <td style="text-align: center;">100</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Solar Thermal</td> <td style="text-align: center;">1</td> <td style="text-align: center;">100</td> </tr> </tbody> </table> <p>Category III Projects: The minimum and maximum single project capacity for accreditation under REC mechanism will be as per the Guidelines/Orders/Regulations issued by CERC/MPERC from time to time.</p> <p>Category IV Projects: The minimum and maximum project capacity allocation to each Solar Power producer for the grid connected Solar Power Plants sanctioned under JNNSM will be as per the guidelines under JNNSM.</p>	S.No.	Technology	Minimum Capacity (MW)	Maximum Capacity (MW)	1	Solar Photovoltaic	0.025	100	2	Solar Thermal	1	100
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1	Solar Photovoltaic	0.025	100											
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7.	Eligible Units	<p>Category I Projects: GoMP shall invite proposals from time to time for selection of Solar Power projects through tariff based competitive bidding process.</p> <p>Category II Projects: GoMP will invite offers from Developers from time to time .</p> <p>Category III Projects: Solar projects under the REC mechanism shall be eligible for Policy benefits (subject to registration with GoMP) as allowed under CERC REC mechanism as per the Guidelines/Orders/Regulations issued by CERC/MPERC from time to time.</p> <p>Category IV Projects: As per the Guidelines under JNNSM and as amended by GoMP from time to time.</p>
8.	Registration	Office of Commissioner, New and Renewable Energy, Government of M.P shall be the nodal department for registration and post development activities.
9.	Performance Guarantee	<p>Category I Projects: As per the guidelines specified in GoMP</p> <p>Category II Projects and Category III projects availing policy benefits: The Developer shall submit Performance Bank Guarantee (for projects being setup on government land at the rate of Rs. 5.0 Lac/MW or part thereof to New & Renewable Energy Department (GoMP). The Bank Guarantee shall be valid for a period of twenty four (24) months for Solar PV projects and for a period of forty (40) months for Solar thermal projects respectively.</p>
10.	Tariff	<p>Category I Projects: For the projects allotted under tariff based competitive bidding route for sale to MP Discoms/ MP Power Management Co Ltd. However the rates shall not be more than the rates specified by the MPERC.</p> <p>Category II Projects: In case of third party sale/captive use/sale to other states, the Power Purchase Agreement will be executed between the Power Producer and the Procurer on mutually agreed rates.</p> <p>A separate Agreement will be executed for banking of power with MP Discoms/ MP Power Management Co Ltd. for such banking.</p> <p>Category III Projects: In case of solar power projects established under REC mechanism, the Power Purchase Agreement as required, will be executed between solar power producers and the Procurer as per the Regulations/Orders of CERC and/or MPERC issued from time to time in this regard.</p> <p>Category IV Projects: For projects under JNNSM, the Power Purchase Agreement will be executed between the solar power producer and the Procurer (NVTN and/or MP Discoms/ MP Power Management Co Ltd.) as per Guidelines under JNNSM.</p>
11.	Metering	Metering equipment, as may be stipulated by MPPTCL or by respective MP Discom, shall be installed at the interconnection point which shall be line isolator of outgoing feeder on HV side of the pooling substation.
12.	Grid Evacuation & Evacuation Facility	<ol style="list-style-type: none"> 1. The developer shall be responsible for laying of power evacuation line from generating station to the nearest substation or interconnection point. 2. The Developer shall be responsible for payment of all wheeling and transmission charges to the MPPTCL/respective Distribution Company in case of sale of power to Third Party Consumers/ Distribution Licensee/ Power Management Co. Ltd utilizing their network, the payment shall be subject to the regulations of MPERC.

13.	Land Use Permission	Maximum Land use Permission - 3.0 Hectares per MW
14.	Transfer of Project	The Solar project Developer shall not be allowed to transfer the project before its commissioning to any other Developer/Investor without the prior approval of the New & Renewable Energy Department, GoMP. Payment of fees (non-refundable) of Rs one (1) lac per MW shall be applicable, for such transfer.
15.	Fossil Fuel Usage	The usage of fossil fuel (coal, gas, lignite, naphtha, diesel, wood etc.) shall not be allowed in the grid connected solar thermal power projects. Hybrid systems shall be allowed as per the guidelines of the Ministry of New and Renewable Energy (MNRE).
16.	Reactive Power Charges	In case of drawl of Reactive Power for the Project, necessary charges shall be payable at the rates prescribed by MPERC.
17.	Electricity duty & Cess Exemption	All Solar power projects (including captive units) will be eligible for exemption from payment of electricity duty and cess for a period of 10 years from the date of commissioning of the project.
18.	Wheeling Charges	Facility of wheeling will be available to all solar power projects through MPPTCL/ MP Discoms, as case may be, as per wheeling charges specified by MPERC. For above wheeling charges, GoMP will provide a grant of four percent (4%) in terms of energy injected and the balance, if any, shall be borne by the project developer.
19.	Banking	<ol style="list-style-type: none"> 1. Banking of 100% of energy in every financial year shall be permitted. 2. The Developer will be required to pay two percent (2%) of the banked energy towards banking charges to the concerned State Distribution Company/ State Power Trading Company. 3. The return of banked energy shall be based on Regulations issued by MPERC from time to time.
20.	Entry tax / VAT Exemption	The equipments purchased for installation of Solar power plants under the policy shall be exempted from VAT and entry tax.
21.	CDM Benefits	CDM benefits to the solar power project Developers/Investors shall be as per the provisions specified by MPERC.