

# Government of Meghalaya

## Power Policy

### Policy for promoting generation of Power through Non-conventional Energy sources

#### 1. Involvement of Private Sector Investment :

Meghalaya is endowed with rich natural resources for development of New Renewable Source of Energy like Small Hydro Project (SHP), Biomass gasification, solar energy and biogas. The hilly terrain offer favourable condition for harnessing small and micro hydel power projects. These immense natural resources if explored and tapped properly will be a great boon for the development of renewable non-conventional sources of energy.

There are many villages in Meghalaya which are situated in far flung areas, where a DISCOM will not be in a position to provide electricity on the ground of commercial viability. Therefore, it is imperative that for such remote villages, the non-conventional energy sources will play a vital role for providing power and electricity.

It is practically experienced that after installation and commissioning of the scheme / projects, the agency is not at all in the position to monitor the distribution, transmission and maintenance of the project due to various local factors

In view of the above facts and circumstances coupled with unforeseen problems, the State Government shall encourage the private producers to participate as a third party so that the projects could be commercially viable and remote villages could be benefited.

#### 2. Eligible Producers:

- i. All power producers generating grid-grade electricity from Non-Conventional Energy Sources such as solar, wind electric generators, small hydro plants, biomass combustion, biomass co-generation, waste recycling etc. will be "Eligible Producers" under the scheme.
- ii. There will be no restriction on maximum generating capacity subject to the condition that power producers having installed capacity of less than 10 KW and more than 25 MW will not be treated as "Eligible Producers".
- iii. It shall not be necessary for such power producers to sell the electricity generated to DISCOM or its successor company. Such power producers producing electricity for captive consumption shall also be treated as eligible producers. However, if the third party is a consumer of the DISCOM and needs support of the DISCOM system in case of outage of the power station, then he will have to pay minimum charges as per rules of the DISCOM.
- iv. There shall be no restriction on the legal form of power producing entrepreneur. Companies, cooperative, partnership individuals etc. would all be eligible producers provided they undertake to generate electricity from Non-Conventional Energy Sources.

#### 3. Grid Interfacing :

- i. Interfacing, including transformers, panels kiosk, protection metering, HT lines from the points of generation to the nearest HT lines etc. as well as their maintenance will be undertaken by the producers as per the specification and requirements of the DISCOM for which such eligible producers will bear the entire cost. Alternatively, these works and their maintenance could be undertaken by the DISCOM at charges to be decided by the DISCOM/ SERC when it is set up.
- ii. Two separate meters, one for the receipt of power to the grid and another for release from the grid, will be installed on the HT side by the eligible producers at his cost. The meters and metering boxes will be sealed by the The State Transmission utility.

#### 4. Facilities by The State Transmission utility/DISCOM :

- i. **Wheeling** :The State Transmission utility will undertake to transmit on its grid the power

generated by eligible producers and make it available to him for captive use or to a third party nominated by eligible producers for sale within the state, at an applicable wheeling charge . However, the third party will have to be HT consumers of the power unless this condition is relaxed specifically by the DISCOM.

- ii. **Purchase of power at attractive price** : The DISCOM will purchase electricity offered by the developer as per the tariff fixed by the SERC on mutually accepted terms and conditions.

5. **Other Incentives:**

- i. The producer will be allowed to use the water for power generation. Royalty on the water used for small Hydro Projects will be charged as admissible.
- ii. Infrastructural facilities such as approach roads, water supply, crane, power during construction period etc will be provided on the lines of industrial estates.
- iii. **Exemption from Electricity Duty** : Consumption of electricity generated by eligible producer for its captive use or upon sale to a nominated third party will be exempted from electricity duty for a period of 5 years.
- iv. **Sales Tax Benefits** : "Eligible Producer" will be eligible for Sales Tax/ VAT deferment/ remission under the provision of schemes notified in this respect by Finance Department as modified from time to time.

6. **Facilitation by Meghalaya Non-Conventional and Rural Energy Development Agency :**

Meghalaya Non-Conventional and Rural Energy Development Agency (MNREDA), as a state nodal agency for developing and promoting used of non-conventional energy production and use in the state of Meghalaya, shall facilitate clearances for the projects for producing electricity from Non-Conventional Sources at the State and Central levels on the lines of facilitation provided by Bureau of Industrial Promotion (BIP). MNREDA shall also facilitate grant of loans to such projects by Indian Renewal Energy Development Authority (IREDA) and subsidies by the Ministry of Non-Conventional Renewable Energy (MNRE).

7. **Applications for Clearances :**

- i. A simple composite application form shall be devised which shall include application for all statutory approval as well. Producers intending to install electricity generation plants using a Non-Conventional Energy Sources will be permitted to submit their applications for meeting up such projects and for grid interfacing in this form to MNREDA and DISCOM.
- ii. MNREDA/ State government. will provide clearance within a period of 2 months from the date of submission of application.
- iii. An agreement will be entered into with the applicant producers within a period of one month from the date of such clearance provided.

8. **State Level Advisory Council :**

A State Level Advisory Council will be constituted to monitor the process of generation of electricity through Non-Conventional Sources and undertake review of the policy to aid and advice the State Government to make necessary changes in the policy, if required.