

New and Renewable Sources of Energy (NRSE) Policy – 2012, Punjab, Dated: 26.12.2012 with amendment Dated: 09.07.2015

Sl. No.	Description	Summary															
1.	Nodal Agency	Punjab Energy Development Agency (PEDA)															
2.	Objectives	<ol style="list-style-type: none"> 1. To maximize and improve the share of new and renewable sources of energy to 10% of the total installed power capacity in the state by 2022. NRSE sector wise details are mentioned separately. 2. To promote renewable energy initiatives for meeting energy / lighting needs in rural areas and supplementing energy needs in urban, industrial and commercial sectors. 															
3.	Project Capacity Target by 2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr. No.</th> <th style="text-align: center;">Project</th> <th style="text-align: center;">Total capacity (in MW)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">Small/ Mini / Micro Hydel</td> <td style="text-align: center;">250</td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;">Biomass/Agro residue</td> <td style="text-align: center;">600</td> </tr> <tr> <td style="text-align: center;">3.</td> <td style="text-align: center;">Urban, Municipal and Industrial Liquid / Solid Waste</td> <td style="text-align: center;">50</td> </tr> <tr> <td style="text-align: center;">4.</td> <td style="text-align: center;">Solar Power generation</td> <td style="text-align: center;">1000</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 1. The Govt. of Punjab endeavor to promote solar energy projects at farm level through land owning farmers with a minimum capacity of 1 MWp and maximum capacity of 2.5 MWp per land owning farmers in the state for sale of power to PSPCL at applicable, generic determined by PSERC from time to time. 2. The cumulative capacity under this category shall be limited to 500 MW. 	Sr. No.	Project	Total capacity (in MW)	1.	Small/ Mini / Micro Hydel	250	2.	Biomass/Agro residue	600	3.	Urban, Municipal and Industrial Liquid / Solid Waste	50	4.	Solar Power generation	1000
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3.	Allotment of Projects	<ol style="list-style-type: none"> 1. All NRSE Projects including Small Hydro Projects upto 25 MW capacity, Biomass IPP, MW scale Solar PV & Solar Thermal Projects, Waste to energy projects under IPP mode and MW scale roof top solar PV for net metering/sale of power shall be allocated through competitive bidding by PEDA. 2. All NRSE projects of capacity upto 1 MW shall be allocated on the recommendation of PEDA, whereas all NRSE projects of capacity more than 1 MW shall be allocated on the recommendation of the Project Allotment Committee. 															
4.	Tariff	The NRSE projects shall be provided tariff for sale of power as per PSERC RE tariff orders and shall be governed by RE regulations.															
5.	Implementation of Project	The project developer shall be required to submit a performance security in the shape of Bank Guarantee of Rs 20 lacs per MW in case of non-solar projects and Rs. 40 Lacs per MW in case of solar projects before signing of implementation agreement or as stipulated in the bid document.															
6.	Scheduling	As per applicable regulations															

7.	Banking	The banking facility for the power generated shall be allowed for a period of one year by the PSPCL/LICENSEE/PSTCL. However, the energy banked during non-paddy season and non peak hours will not be allowed to be drawn during paddy season and peak hours respectively.
8.	Injection of NRSE Power	PSPCL/LICENSEE/PSTCL will accept the injection of energy in full even during sustained high frequency hours to ensure full utilization of non-conventional energy resources and merit order shall not be applicable.
9.	Energy Payment	PSPCL/LICENSEE will clear dues within 60 days. However if the Developer requests for payment in 30 days or against Letter of Credit / payment in 7 days, rebate of 1% or 2% respectively, as the case may be, will be admissible to PSPCL/LICENSEE. Delay in payments will attract interest as per PSERC/CERC regulations.
10.	Letter Of Credit	The amount of the Letter of Credit shall be equal to the bill amount of one month on the basis of average of last three months. All expenditures on Letter of Credit shall be borne by the power producers.
11.	Grid Interfacing	<ol style="list-style-type: none"> 1. Interfacing, including installation of transformers, panels, kiosks, protection and metering equipment on LT/ HT side of the generating station up to interconnection point and its subsequent maintenance shall be undertaken by the power producer/plant owner. 2. In all other cases, the private developer shall be required to lay its own transmission lines from the switchyard of its generation facility to the PSPCL/LICENSEE/PSTCL grid sub-station at its own cost in addition to all equipment required for evacuation of power in its own generating facility switchyard.
12.	Wheeling Charges	<ol style="list-style-type: none"> 1. All transmission & distribution losses and all other charges as per open access regulation shall be to the account of the OA consumers. Such wheeling and/or transmission of power shall be governed by Open Access Regulations/ procedures. 2. Captive power generators will be required to seek permission of PSPCL/PSERC for laying of transmission line for taking power to destination of use in Punjab. 3. The facility of exemption of transmission & wheeling charges on intra state open access shall be available to the NRSE plants achieving commercial operation (COD) from the date of issuance of this amendment notification uptill 31.3.2017 for a period of ten years: from the date of COD of the plant.
13.	Land	<ol style="list-style-type: none"> 1. Wherever Irrigation land on canal banks is available, Punjab Irrigation Department (PID) will transfer canal land to PEDDA on notional lease amount of Rs. 1.50 lac per annum per site. 2. For setting up MHP on canals, wherever the Irrigation Department executes the Deposit work inside the canal on behalf of Private Developer, no Departmental Charges shall be paid to PID by the private developer however, supervision charges on actual basis shall be payable subject to maximum 5% of the deposit work executed by PID. 3. Agricultural land shall be allowed to be used for setting up of Renewable Energy Power Projects in the state and no CLU, EDC/or any other charges/fees for the same shall be payable.
14.	Cess	The power producers setting up hydel projects will pay cess @ 1.5 paisa per unit of electricity generated for use of river/ canal water.

15.	Electricity Duty	<ol style="list-style-type: none"> 1. The NRSE Power Generation and consumption by generators themselves as a captive unit from NRSE projects shall be fully exempted from levy of Electricity Duty. 2. 100% Electricity Duty for power consumed from state licensee during construction and testing of the project shall be waived.
16.	Octroi	Exempted
17.	VAT	To promote usage /generation from NRSE, manufacturing & sale of NRSE devices/systems, and equipments / machinery required for NRSE Power Projects shall be exempted from Value Added Tax (VAT) and any cess thereupon.
18.	Entry Tax	100% exemption from entry tax in respect of all supplies (including capital goods, structure and raw materials) made for setting up and trial operations of the projects.
19.	Stamp Duty	Exempted
20.	NOC	Solar PV Power projects shall be exempt from obtaining any NOC/consent under Pollution control laws from the PPCB.