



Uttar Pradesh Mini Grid Policy 2016







MINI GRID POLICY UTTAR PRADESH 2016

1. PREAMBLE

Electric power and its easy availability is an established benchmark of development and an essential prerequisite for prosperity. No major economic activity can be sustained without adequate and reliable source of power.

In view of the fact that the conventional sources of energy are fast depleting and pose a threat of environment pollution too, the challenge before the State Government is not only to meet the ever growing demand for power but also to progressively increase the share of renewable energy sources in the power-mix so as to achieve overall energy security

The State of Uttar Pradesh is endowed with vast potential of solar and bio/biomass power and the Government is making efforts to tap these resources to improve the availability of power in the State by promoting renewable power projects. As a result of sustained efforts made under the rural electrification programme, only a few census villages remain unelectrified in the State. However, a large number of rural households are still deprived of electricity. Such households can be electrified through mini-grid from locally available renewable energy sources by decentralised power generation. A comprehensive policy framework is an imperative requirement to realize this goal. Therefore, the Government of Uttar Pradesh adopts and announces the Mini-grid Policy-2016 as under:

2. Objectives :

1. To promote decentralized generation of clean & green power by harnessing renewable energy e.g. Solar, Biomass etc in the State.
2. To put in place a conducive investment climate to stimulate private sector participation in decentralized generation of renewable power.
3. To provide ensured power supply to nearly 02 crore households in the State to meet the minimum household needs of power e.g. lighting, fan, mobile charging etc.
4. To reduce the investments required for development of long distance transmission lines and to reduce the line losses in power transmission resulting due to commonly low demand of electrical power in rural areas.
5. To spread environmental awareness among the general public.
6. To enhance skills and create employment opportunities at local level.
7. To promote establishment of local manufacturing facilities and socio-economic development of backward areas.

8. To build capacity in the State to initiate and sustain, use and effective management of newer technologies.
9. To make available clean and sustainable electrical power to large number of domestic, agriculture and commercial establishments which are deprived of conventional grid.
10. To reduce the consumption of fossil fuels.

3. Area of Operation

Mini-Grid projects shall be installed in un-electrified habitations/hamlets and in contiguous undeveloped and backward rural/urban areas deprived of conventional grid or with relatively less supply of electricity.

4. Operative Period

This Mini-Grid Power policy shall come into effect from date of its issuance and shall remain valid until superseded or modified for a period of 10 years whichever is earlier. Mini grid projects approved during the operative period alone shall be eligible for incentives declared under this policy.

5. Mini Grid Projects

5.1 Project Capacity:

Mini-Grid Projects of maximum capacity 500 kW shall be installed to electrify the households of villages/ habitations/ hamlets which are un-electrified or are having unavailability of power in peak demand hours.

6. Implementation Plan

Presently, private developers are setting up mini grid power projects in the State without the State subsidy. However, the implementation of such projects in the remote and economically weaker areas having poor infrastructural facilities, would need the support of the State subsidy. Therefore, the Mini-Grid Power Policy envisages the implementation of the Mini-Grid Projects in the following manners -

6.1 With State Government subsidy :

- 6.1.1 Project shall be installed in villages/Majras identified by UPNEDA/State Govt through the private developers.
- 6.1.2 As per the budget available from State govt. projects shall be installed and 30 % subsidy shall be provided.
- 6.1.3 Projects shall be established on Built Own Operate & Maintain (BOOM) basis and 10

years mandatory operation & maintenance shall be done by the developer.

6.1.4 Subsidy shall be provided by determination of VGF standard through Standard Bidding Document.

6.1.5 Restrictions:

6.1.5.1 The Land will be arranged by the Developers for the sanctioned Projects.

6.1.5.2 Mandatory daily 3 hours in the morning and 5 hours in the evening total at least 8 hours supply of electricity to all willing houses in the project area, as per their domestic demand.

6.1.5.3 Daily 6 hours supply of electricity for other production and commercial needs.

6.1.5.4 Remaining energy may be supplied to the other consumers by the developers.

6.1.5.5 Electricity Tariff: Developer will charge Rs. 60/- per month for load of 50 Watt, Rs. 120/- per month for load up to 100 Watt for 8 hours of daily electricity supply and for the load more than 100 Watt tariff will be on mutual consent between consumers and developer..

6.1.5.6 Developer shall make the Electricity Distribution system as per the guidelines of Central Electricity Authority and UPPCL and Electrical safety & Security standards.

6.1.5.7 Developer shall get the benefits of incentives provided in Industrial Policy to other Infrastructural related support.

6.2 Self identified Projects by the Developers without State Govt subsidy:

No subsidy shall be provided on the Self identified Projects by the developers. Developer shall manage the arrangement of self owned land finance for establishment mini grid projects.

6.2.1 Distribution of generated energy:

Developer shall fulfil the energy needs for domestic use of willing families, agriculture works and small commercial establishments e.g. flour mills, shops, schools, hospitals, telephone towers, petrol pumps etc.

6.2.2 Distribution of energy by the developer will not be restricted.

6.2.3 Electricity Tariff:

Developer will be allowed to charge tariff from consumers on mutual consent basis.

6.2.4 Projects without subsidy shall also be eligible for the benefits of other Infrastructural

related support, incentives provided in Industrial Policy and exit process in case of conventional grid access.

7.0 Exit process on the access of conventional grid in the villages/majras of the project.

The villages covered under the installed project shall be considered as last mile stone infrastructure and on the access of conventional grid following two exit procedures will be followed:

- 7.1 The energy generated from the plant will be received in the grid by DISCOM at the tariff decided by Uttar Pradesh Electricity Regulatory Commission/ tariff decided on mutual consent. Project developer will be given priority for authorisation as a franchisee by Discom
- 7.2 Based on the cost benefit analysis of the installed project, the project will be transferred to the DISCOM at the cost determined on mutual consent between DISCOM and developer by the estimation of cost / profit loss of the project installed by the developer.

8. Period of implementation of Mini Grid Projects:

The sanctioned projects based on solar energy shall be completed within 6 months, Biomass /Biogas based projects within 9 months, wind energy and small hydro power projects within 01 year. 6 months time extension may be granted for delay due to actual/natural reasons at various levels.

9. Restrictions for the use of fossil fuel:

Use of fossil fuel e.g. coal, gas, lignite, Kerosene, wood etc shall be prohibited in solar thermal based projects. In Biomass based projects use of fossil fuel will be permissible as per the standard of Govt. of India. In absence of requisite solar energy, the Genset can be used to charge the battery bank etc in Solar Photovoltaic Plants. However compliance of environmental standards shall be ensured.

10. Operation of Projects:

Developers/ Cooperative institutions/Community institutions will have sufficient technical skilled man power to ensure the installation, operation & maintenance of project and impart training as per the standards and specifications of State Govt. and Govt of India.

11. Single Window Clearance:

UPNEDA will act as the Nodal Agency for Single window clearance for all Mini Grid

Projects which include the task related to issuance and facilitation of desired Government orders, necessary sanctions/permissions, clearances, approvals, consent etc. in a time bound manner.

12. Role of Nodal Agency:

As per the objective of the policy, UPNEDA will provide following facilities for assistance to the project developers:

12.1 Other Infrastructure support:

Right of way if any, water supply and related infrastructure e.g. road, transmission lines or other facility will be provided by the District Magistrates of concerned districts.

12.2 Training:

Training of Users, operators of minigrid projects and other concerned, development of appropriate skilled man power by tying up with the concerned institution.

12.3 To ensure the online monitoring with facility of quarterly functionality report for the projects which are greater than 50 kW capacity and installed with Government subsidy.

12.4 Land use, environment and stamp duty related incentives will be provided to for the sanctioned projects under Uttar Pradesh State Industrial Policy,2012 of industries based on solar energy or renewable energy.

13. Monitoring:

Govt. of Uttar Pradesh, Department of Additional Energy Sources, UPNEDA shall ensure the monitoring of the projects.

13.1 High Level Committee

To oversee, monitor and resolve various issues arising out of this policy, an High Level Committee will be constituted under the chairmanship of the Chief Secretary of the State. The committee will have the following members:-

Chief Secretary	- Chairman
Infrastructure & Industrial Development Commissioner	- Member
Secretary /Principal Secretary, Additional Energy Sources	- Member
Secretary /Principal Secretary, Finance	- Member
Secretary /Principal Secretary, Planning	- Member

Secretary /Principal Secretary, Industry	- Member
Secretary /Principal Secretary, Revenue	- Member
Secretary /Principal Secretary, Energy	- Member
Managing Director, UPPCL	- Member
Managing Director, UPPTCL	- Member
Managing Director, Concerned DISCOM	- Member
Director, UPNEDA	- Member Secretary

13.2 FREQUENCY OF MEETINGS

The committee shall meet on a quarterly basis and also as and when required.

13.3 Functions of the High Level Committee

The committee will deliberate and decide on the following issues-

13.3.1 Permission of Targets and Subsidy for Projects:

Granting Approval of Annual Targets and subsidy amount for Mini-grid Projects.

13.3.2 Monitoring of single window:

Monitoring of working of single window system.

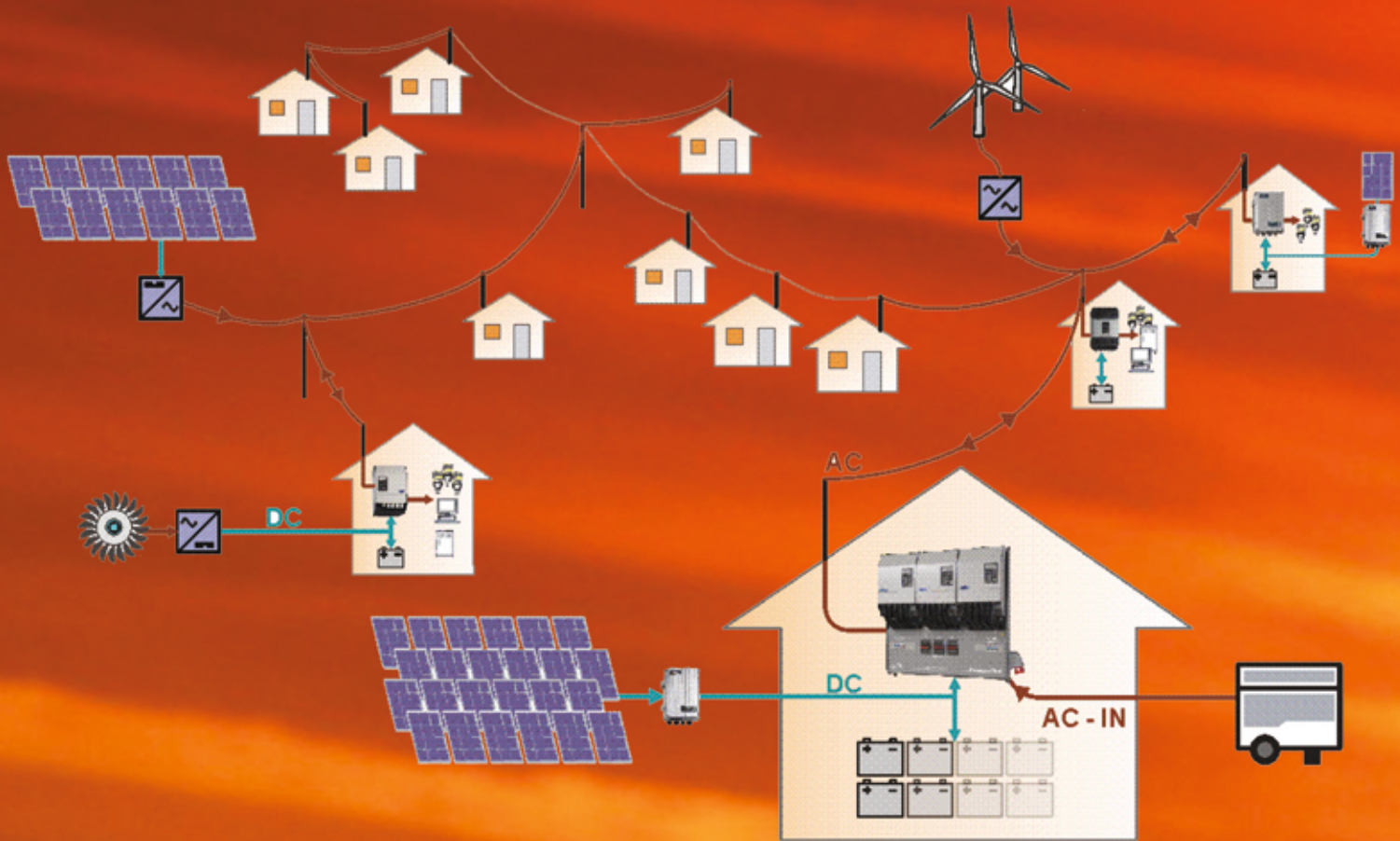
13.3.3 Coordination:

Resolve any other Inter departmental issues that may arise from time to time.

13.3.4 Other

Any other relevant matter.





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