H.P. SOLAR POWER POLICY

Government of Himachal Pradesh, Shimla
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1. **INTRODUCTION:**

Himachal Pradesh being a mountainous State is bestowed with high mountains & resultant valleys which are the watersheds to five major rivers in the North-Western region. Obviously, this is the top priority of the State to generate and contribute to meet ever increasing demand of power in the country out of its total estimated hydel potential. The fact cannot be denied that while developing a hydel plant some environmental concerns remains associated with it such as displacement of local residents where the scheme is not run of the river, drying of water sources due to tunnelling, deforestation and other geological disturbances. The Govt. has also recognized the urgent need to tackle the challenges that arise on account of climate change and global warming through integrated policy prescriptions and programmes aimed at mitigation of impacts and adaptation to reduce the vulnerability of system. Based on the “climate efficient initiative” the State has decided to promote the solar power generation and build capacities in which all the concerned stakeholders can contribute.

2. **BACKGROUND:**

Knowing the importance of promoting Solar Power, Government of India in July, 2009 unveiled a plan to produce 22000 MW of solar power by 2022 under the Jawaharlal Nehru National Solar Mission (JNNSM).

In view of above mission, the Govt. of H.P. has planned to set up a policy for the development of Solar Power for “New and Non Conventional Sources and Applications” to reduce the emissions & related impacts of climate change.

3. **SOLAR POWER POTENTIAL IN H.P.:**

The State of Himachal Pradesh being a Hilly State, has generally a clear sky and the average solar radiation level in the entire physiographic zones of the State receives insolation between 4 - 5.25 kWh/m²/day with around 300 clear sunny days in a year, favouring commercial as well as domestic applications of solar energy.

As far as the solar power potential of the State is concerned practically no real estimation of potential available/achieved particularly keeping in view the areas of cold desert in Lahaul & Spiti and part of Kinnaur districts in Trans - Himalayan region. The key constraints to harnessing the solar power in H.P. are:

(i) Specific locations are not known which have high insolation / solar radiation;

(ii) Solar power is expensive vis-a-vis hydro-electric power (which has a huge potential in the State), which is much cheaper. However, now the HPSERC has
made mandatory for the power distributors and obligated consumers to purchase a particular percentage of power from solar source.

(iii) Unlike many other states, even the subsidized rate of power per unit is not worthwhile for domestic purchase in H.P.

(iv) The cold desert region in Lahaul & Spiti and part of Kinnaur districts does not have a proper power evacuation system.

4. **H.P. SOLAR POWER POLICY:**

The policy shall be known as **Himachal Pradesh Solar Power Policy-2014**. The provisions contained in the Solar Power Policy shall be applicable to all the Solar Photovoltaic (SPV) plants to be installed in the State. The Government reserves the right to undertake a review any of the provisions mentioned in the policy from time to time as the situation so warrants in larger public interest or in view of any changes in the national policy or technological breakthrough.

5. **OBJECTIVES:**

To achieve the mission, the Policy as being released, is meant for pursuing the following objectives:

i. To promote the JNNSM & MNRE schemes for speedy harnessing of Solar Power.

ii. To promote generation of green and clean power in the shape of Solar Power Energy through off grid & decentralized solar applications, roof top & other small solar power plants and new grid connected solar

iii. To create a climate for availing the benefits under Clean Development Mechanism (CDM).

iv. For employment generation for local youths.

v. For creation of environmental consciousness in the state.

vi. To identify and utilize vacant areas in cold desert region of the State for SPV plants and to allow power producers and investors to explore possibilities of development of evacuation systems there, with the help of Institutions and Agencies involved in similar type of activities there.

vii. To educate and create awareness of the available solar energy potential in the State through the creation of solar energy parks in the universities and technology institutions in the State.

6. **Capacity Installation:**

A maximum of 50 MW Solar Power shall be allowed for installation during the second Phase i.e. from 2013 to 2017 and another 250 MW during third phase upto the operative period of JNNSM i.e. from 2017 to 2022 as indicated below:-


<table>
<thead>
<tr>
<th>Scheme</th>
<th>Maximum capacity to be developed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phase-I</td>
</tr>
<tr>
<td>Under JNSSM</td>
<td>20 MW</td>
</tr>
<tr>
<td>Upto 500Kwp</td>
<td>10MW</td>
</tr>
<tr>
<td>Above 500Kwp</td>
<td>20MW</td>
</tr>
<tr>
<td>Total capacity</td>
<td>50 MW</td>
</tr>
</tbody>
</table>

Govt. of Himachal shall endeavour to promote solar energy in Himachal by providing incentives for execution of solar plants through MNRE & JNNSM programmes/projects and/or through HP solar Policy.

7. OPERATIVE PERIOD:

This policy will come into force with effect from the date of its issuance and shall remain in operation upto 31.03.2022 which is the operative period of the scheme under Jawaharlal Nehru National Solar Mission (JNNSM) i.e. the solar power generating stations installed and commissioned during the operative period alone shall be eligible for incentives upto 31.03.2022.

8. OFF GRID AND DECENTRALISED SOLAR APPLICATIONS:

HP Government will promote off grid and decentralised solar applications for replacement of diesel generator sets, as per the prevailing guidelines/policy of MNRE. The Accelerated Depreciation Benefits shall also be applicable.

9. GRID CONNECTED SOLAR PLANTS:

HP Government will also promote the Grid interactive Solar Power Generation to encourage the private producers & investors to identify sites of high solar radiation in the State and to develop solar power plants in the State. The solar power plants shall be conceived/built/approved in the following categories:

(i) Category-I:  **Rooftop/small solar power plant upto 100 KWP.**

All domestic consumers will be encouraged to put up roof top solar installations.
(ii) Category-II: **Integrated Rooftop/small solar plants upto 1 MW**

Group of individuals, Housing colonies, Rural/urban housing schemes will be encouraged to put up integrated rooftop solar installations. Each rooftop should not be more than 100 Kwp.

(iii) Category-III: **Solar power plants from 100 Kwp to 500 Kwp (By Institutions)**

These plants can be put up by any Commercial/Industrial/Education Institutions including Govt. Buildings (college, schools, hospitals etc.)

(iv) Category-IV: **Solar power plants from 100 Kwp to 500 Kwp**

The solar plants can be installed on the owned land or land leased from Government/private party with their own arrangements.

(v) Category-V: **Solar power plants above 500 Kwp**

The solar plants can be installed through private sector participation on the land owned/Land leased from private party by their own arrangement or Govt. leased land.

10. **Procedure of allotment of Solar PV Projects**

i) **Allotment of Solar PV Projects upto 500 Kwp:**

A) **Guidelines for Solar Power Projects:**

The solar power generation is available everywhere and can be tapped effectively. For tapping solar energy from the projects of capacity up to 500 Kwp by proper identification, the applicants are advised to meet the following minimum requirements/guidelines before putting in an application:

(i) A comprehensive PFR has to be prepared and attached with the proposal as per guidelines of Himurja.

(ii) Applicants should clearly mention the following information in their project proposal to be attached with the application:

(a) Salient feature of the project.
(b) Location map and General Layout
(c) Interconnection point and Evacuation arrangement
(d) Land details
(e) Description of plant and cost estimate
(f) Technology proposed
(g) Financing arrangement

(iii) If SPP is interested to apply for more than one Project, separate application for each Project shall be submitted along with application fee
(iv) No proposal/application shall be accepted on the locations for which applications received in the past stand rejected or which stand allotted to any other entity.

(v) Applications for locations clashing with already allotted/identified schemes are liable to be rejected and application fee shall stand forfeited. It will be the responsibility of the applicant to check with the record of concerned agency before putting in an application.

(vi) All applications will be subjected to preliminary technical scrutiny by a committee as per prevailing guidelines/policies of MNRE/JNSSM and amendment thereof. Applications not found fit will liable to be rejected. In case of rejection of applications the application and processing fee will be forfeited.

B) Allotment procedure:

(i) Any company or body corporate or association of persons, body of individuals, whether incorporated or not or artificial juridical persons, partnership firm/Bona fide Himachali’s/Cooperative societies comprising of bona fide Himachali’s are eligible for setting up of solar power unit for the purpose of captive use or for selling of power in accordance with the Electricity Act 2003 as amended from time to time. In addition to above the MNRE/JNSSM guidelines for eligibility criteria will also be taken care as per present or as published/amended by MNRE from time to time.

(ii) The applications shall be received after advertisements issued by Government/HIMURJA in Giriraj and in leading English and Hindi Newspapers. Applications shall be scrutinized by HIMURJA and approved by the Government.

(iii) The application must be complete in all respects, supported with the requisite documents accompanied with:

- Processing Fee (non-refundable) @ Rs. 5,000/- (five thousand only)

The processing fee shall be furnished by the applicant in the shape of a demand draft in favour of “Director HIMURJA” payable at Shimla.

C) Financial parameters under Category-IV Projects:

a) For individuals:

Internal Resource Generation of Rs.0.50 crore per MW of the capacity, computed as five times the maximum internal resources generated during any of the last five years business operations.

b) For Cooperative Societies:
1) Internal Resource Generation: Rs.1.00 crore per MW of the capacity, computed as five times the maximum internal resources generated during any of the last five years business operations.

2) Net Worth: Rs 1.00 crore per MW of capacity. The above computation shall be derived from any of the past three year's annual accounts.

3) Annual Turnover: Rs 2.00 crore per MW of capacity. The above computation shall be derived from any of the past three year's annual accounts.

Fulfillment of above parameters required to become eligible for further processing of their application, failing which the proposal shall be rejected outright.

c) (i) The financial capability of the investors is to be assessed on the basis of Audited Accounts/Published Accounts /audited financial statements and net means in the case of individuals/cooperative societies/newly formed entities. The Balance sheets of the Private Investors pertaining to the last accounting period as supplied by the Private Investors because of variation in Accounting period or otherwise, is to taken into consideration.

(ii) In case of newly formed entities/companies/firms/societies, if the above criterion is not fulfilled, the means of each member/promoter will be evaluated jointly for this purpose. The proof/documents in support of the above shall be submitted by the individual/promoters.

(iii) A Certificate from the Chartered Accountant regarding Net worth of the individual/societies/newly formed entities where Annual Accounts have not been prepared/drawn will be required.

d) Not more than 3 projects shall be allotted for implementation to the project developer including the already allotted projects under execution in the state.

D) Performance Guarantee:

(i) The Performance Guarantee @ Rs 500 per Kwp or Rs 25,000 per plant whichever is higher shall be deposited with Himurja. EMD furnished by the successful applicant while submission of application, will be adjusted against the Performance Guarantee. If the SPP does not furnish the requisite documents as prescribed in the consent letter in time, the project shall be cancelled and this amount will be forfeited.

(ii) The Performance Guarantee will be refunded after six months of successful commissioning of the project.
ii) Allotment of Solar PV Projects above 500 Kwp:

HPSEBL shall detailed out the requirement of solar power through tariff based reverse /competitive bidding process as per their need to fulfil the RPO obligation and based on load of the area, evacuation arrangement, Distribution arrangement HT/LT system, losses (T&D and AT&C losses) and Transmission charges.

A) Guidelines for the Solar Power Developers:

HPSEBL in consultation with Himurja shall invite project developer to participate in the bidding process against the request for selection (RFS) for development of Solar photovoltaic projects. The Project developer shall submit the RFS within the time frame of the invitation by HPSEB. The Notice inviting Proposals shall be published in all the leading newspapers of National & shall also be hosted on the website,

B) SELECTION PROCESS

The ‘Technical-Bids’ in response to the advertisement should be accompanied by a non-refundable processing fees @ Rupees Fifty Thousand (Rs 50,000/-) per MW subject to maximum of Rupees two Lakh (Rs 2,00,000/-) per Project applied for, which shall be retained as Consultancy/Processing charges. The processing fee shall not form part of the Project cost in the DPR and financial closure, which shall be borne by the Developer out of the financial strength of the Company.

The application must be complete in all respects, supported with the requisite documents accompanied with EMD @Rs.50,000/- only (fifty thousand only) upto 1MW and above 1MW shall be @Rs.50,000/- (fifty thousand only) per MW, which is refundable in case of unsuccessful applicant and in case of successful applicant the same will be adjusted against the security deposit.

The Bidders should have strong financial and technical base with adequate free investible reserves and surpluses and requisite technical capability necessary for the development of the Solar Projects. The selection process will be in two stages. In the first stage the Technical Bids submitted by the Bidders shall be scrutinized and evaluated for Pre-qualification. The Bids shall be assessed on the basis of following criteria.

a) Pre-Qualification of Bidders (First Stage):

Technical Bids/Proposals received shall be processed and evaluated on the basis of the following parameters broadly described as under:

(i) Financial Criteria:-

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>parameters</th>
<th>Rs./MW capacity</th>
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<tbody>
<tr>
<td>1</td>
<td>Net worth</td>
<td>Rs 2.00 crore (Two crore only)</td>
</tr>
<tr>
<td>2</td>
<td>Internal Resource Generation</td>
<td>Rs 2.00 crore (Two crore only)</td>
</tr>
<tr>
<td></td>
<td>Annual Turn over</td>
<td>Rs 5.00 crore (Two crore only)</td>
</tr>
<tr>
<td>---</td>
<td>-----------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Any other requirement</td>
<td>As per RFS</td>
</tr>
</tbody>
</table>

(ii). Technical Criteria:-

- Commercial established and operational technologies to minimize the technology risk and achievement of commissioning of Projects. The detailed technical parameters shall be spelled out in RFS.

b) Qualification of Bidders (Second Stage)

The ‘Price-Bid’ will be submitted separately by the Developer. They will clearly indicate the minimum per unit rate of solar power alongwith quantum.

c) Financial Bid Evaluation:

In the second stage, Price Bids of the Pre-qualified Bidders will be opened on specific date (which shall be intimated to all pre-qualified bidders) in presence of the eligible bidders or their authorized representative(s) who are willing to be present. The Projects will be allotted to the Bidders quoting minimum per unit rate and further matching L-1 rates or as per procedure spelled out in RFS.

(The Government reserves the right to evaluate the information supplied by the Bidders in accordance with its own judgement and its own methods)

d) Performance Guarantee:

(i) The Performance Guarantee @ Rs 500 per Kwp subject to a ceiling of Rs 10 lakh shall be deposited with Himurja at the time of signing of the Agreement by way of Bank Draft drawn in favour of Himurja on a scheduled Indian Bank. EMD furnished by the successful applicant while submission of application, will be adjusted against the Performance Guarantee. If the SPP does not furnish the requisite documents as prescribed in the consent letter in time, the project shall be cancelled and this amount will be forfeited.

(ii) The Performance Guarantee will be refunded after six months of successful commissioning of the project.

(iii) Capacity enhancement changes in the DPR will be decided on case to case basis.

iii) Other terms and conditions for allotment of projects:

(a) The SPP shall set up its office within State of Himachal Pradesh after signing of Implementation Agreement and furnish the proof thereof.

(b) All the statutory clearances/approvals shall be obtained by the developer of the solar power plant.
(c) For transfer of Forest /Govt. Land, Private Land acquisition and any other clearance the Solar Power Producer will approach the concerned departments along with feasibility report, approved DPR or TEC (whichever is earlier). SPP will submit DPR within five months from the date of issue of consent letter for approval to enable expediting these clearances. After obtaining the clearances from concerned Government department(s), Land lease has to be registered by the SPP with the revenue Department.

(d) The SPP will acknowledge receipt of consent letter within fifteen days and furnish affidavits, performance guarantee, any other relevant essential document within two months from the date of issue of consent letter. In case, SPP’s confirmation is not received or performance guarantee and other relevant essential documents, not deposited by the due date it shall be presumed that SPP is not interested in taking up the project and consent shall be treated as withdrawn.

(e) No interest is payable on security deposit. H.P. Govt. has right to forfeit the security deposit in case of any default on the part of developer.

11. LAND REQUIREMENT

For setting up solar Power Plant on different technology, maximum allottable land to the Solar Power Producers shall be as follows:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Technology</th>
<th>Maximum allottable land</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SPV on Mono Crystalline Silicon Technology</td>
<td>1.7 Hect. /MW.</td>
</tr>
<tr>
<td>2</td>
<td>SPV on Poly/Multi Crystalline Silicon Technology</td>
<td>2.0 Hect. /MW</td>
</tr>
<tr>
<td>3</td>
<td>SPV on Thin Film (Amorphous silicon/Cadmium Telluride/Copper Indium Gallium Diselenide) Technology</td>
<td>3.65 Hect. /MW</td>
</tr>
</tbody>
</table>

i) SPP should primarily apply for setting up the project in their own land or Land leased from Government/private party by their own arrangement.

ii) For cases where Government (revenue) land is available, the same will be leased out to the SPP as per the HP Govt. lease rules.

iii) The Government shall acquire, at the request and expense of the IPP within the provisions of The Right to fair compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013, such private lands within the State of Himachal Pradesh as may be required by the SPP and as considered appropriate by the Government for the implementation of the Project. The SPP shall also be allowed to acquire such land through
direct negotiations with the owners in accordance with the prevailing laws, rules and regulations in the State.

iv) Land whether private or Government shall be taken only on lease basis at the rates approved by the Government for the agreement period. The Government shall acquire the land for the permanent structures by invoking the compulsory provisions under the The Right to fair compensation and Transparency in Land Acquisition, Rehabilitation And Resettlement Act, 2013 in order to expedite the execution of Projects.

v) The Government shall arrange for the short term lease initially for a period of three years, of Government land required by the SPP for commissioning of the Project as considered appropriate by the Government on such terms, conditions and rates as may be prescribed/ fixed by the Government from time to time. The lease shall be extended further up to the operative period only after commissioning of the project.

vi) In case the land is found to be used for purposes other than related to the project, the land use permission will be cancelled with immediate effect. The construction carried out by the Developer and equipments on such land will be seized and be treated as vested in the State Government.

12. SLEC CLEARANCE OF POWER PLANTS:

All in-principle cleared plants will be presented to the State Level Empowered Committee (SLEC) for final approval. The State Level Empowered Committee will consist of following members:

1. Principal Secretary(NES)/Secretary (Power), GoHP (Chairman)
2. Principal Secretary, Revenue, GoHP (Member)
3. Director, Directorate of Energy (Member)
4. Principal Chief Conservator of Forest (Member)
5. CMD, HPSEBL (Member)
6. MD, HPPTCL (Member)
7. CEO, HIMURJA (Member-Secretary).
8. Deputy Commissioner of concerned District-Special Invitee.

13. TIMELINES:

(a) The completion period for the domestic roof top solar projects upto 100 KW for category I and II shall be 12 months from the date of approval of State Level Empowered Committee (SLEC) and as per the terms and conditions of MNRE, GOI under the JNNSM programme.
(b) The completion period for projects above 100 KW in category III, IV and V shall be within 18 months from the date of approval of State Level Empowered Committee (SLEC).

Following Milestones shall be achieved by the SPP:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Milestone</th>
<th>Period</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issuance of consent/approval letter</td>
<td>Within one month of recommendation by SLEC</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Submission of DPR to HIMURJA</td>
<td>Within three months after issuance of consent/approval letter</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Signing of IA</td>
<td>Within two months after submission of DPR</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Obtaining Clearances including approval of DPR from HIMURJA/MNRE, Signing of PPA</td>
<td>Within six months after signing of IA</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Commissioning of Project and achieving Financial Closure</td>
<td>Within six months after obtaining all clearances</td>
<td></td>
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</table>

The solar projects installed on the Govt. land shall be revert back free of cost after the operative period of the plant i.e 25 years from the date of commissioning.

14. EXTENSION OF PROJECTS:

Provided that extension in time schedule may be granted by the SLEC on case to case basis after depositing penalty amount as under:

(a) For delay upto 3 months Rs.1, 00,000 per MW
(b) For delay more than 3 months but upto 6 months Rs.2, 00,000 per MW
(c) For delay more than 6 months but upto 9 months Rs.3, 00,000 per MW

Normally SLEC will not grant any extension beyond 9 months, but SLEC may consider extension beyond 9 months where there in a reasonable certainty of commissioning of the plant. In such cases extended completion schedule & penalties shall be decided by SLEC on case-to-case basis.
15. **PENALTY FOR DELAY IN COMMISSIONING:**

The project shall be commissioned within 6 months after obtaining all clearances. In case of failure to achieve this milestone, Himurja shall en-cash the Performance Guarantee in the following manner:

a) Delay up to one month - 20% of the total Performance Guarantee on per day basis and proportionate to the Capacity not commissioned in lots of 10 Kwp each.

b) Delay of more than one month and up to three months – Himurja will en-cash remaining Performance Guarantee on per day basis and/or proportionate to the Capacity not commissioned in lots of 10 Kwp each.

c) In case the commissioning of the project is delayed more than 3 months, the pre-fixed Levelised tariff shall be reduced at the rate of 0.50 paise per unit per day of delay for the delay in commissioning/remaining capacity which is not commissioned. The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Guarantee and reduction in Levelised tariff shall be limited to 12 months from the date of obtaining all clearances. In case, the Commissioning of the Project is delayed beyond 12 months after obtaining all clearances, the PPA capacity shall stand reduced / amended to the Project Capacity Commissioned and the PPA for the balance Capacity will stand terminated and shall be reduced from the selected Project Capacity. In case of non commissioning of any capacity, the discom shall be free to exit from the PPA signed.

d) In addition to above, the project developer shall also compensate the purchaser (Discom or any other procurer) or account of non fulfillment of RPO obligation during the period of delay.

e) The three year permission granted to the Project developer to utilise the Govt lease land shall not be extended and the securities deposited shall be forfeited.

16. **APPLICABLE TARIFF:**

For Category I, II & III:

The tariff to be paid to the developer shall be determined by HPERC based on the net metering (credited power) basis. The tariff shall remain firm for 25 years project period. In case benefit of accelerated depreciation is availed for a project, the tariff will get reduced in line with HPERC/CERC regulations.

**Category-IV**

The tariff to be paid to the project developer shall be at the tariff based reverse /competitive bidding rate of category-V, as approved by SERC. The tariff shall remain firm for 25 years project period. In case benefit of accelerated depreciation is availed for a project, the tariff will get reduced in line with HPERC/CERC regulations. In case the
power sold through REC mechanism then the tariff applicable shall be as per approved HPERC rate

Category-V

The tariff to be paid to the developer shall be determined based on the tariff based reverse /competitive bidding and further approved by HPERC. The tariff shall remain firm for 25 years project period. In case benefit of accelerated depreciation is availed for a project, the tariff will get reduced in line with HPERC/CERC regulations.

17. ROLE OF NODAL AGENCY:

HIMURJA has been designated by H.P. Govt. as Competent Authority for registration of Solar PV plants and the applications in this regard shall be forwarded to HIMURJA for its scrutiny and further submission to State Govt./MNRE for obtaining necessary sanctions. Once the sanction is accorded by State Govt./MNRE, the SPP will be asked to obtain all the necessary documents before final allotment of the plant.

The nodal agency shall also monitor the progress of execution of the solar power projects. All the project developer will submit the progress report to Nodal agency and NES department, GoHP on regular basis every month during the execution period. They will also submit the performance monitoring report on regular basis every month for the entire duration of the PPA. In this regard they shall mandatorily also grant access to the remote monitoring portal of the power plants on a 24X7 basis.

18. POWER EVACUATION ARRANGEMENT:

Power evacuation will be an integral part of the solar power plant. All expenses for power evacuation facility up to interconnection point shall be borne by the plant developer. Solar power producer shall give the plan for evacuation up to the interconnection point with HPSEBL/HPPTCL and will give an affidavit that they will evacuate the power up to the interconnection point at their own cost. Transmission line up to interconnection point and equipment required for synchronization will be installed by plant developer as per technical details of HPSEBL/HPPTCL/Successor Company or it shall be provided by HPSEBL /HPPTCL/Successor Company at the cost of solar power plant developer. Maintenance of the above line & equipments shall be done by HPSEBL /Successor Company at the cost of solar power plant developer. All incidental/operational cost towards power evacuation shall be borne by the plant developer during the entire life span of the plant.

Metering equipment for the power generation and sale will be installed at site by the SPP at their own cost as per the specifications of the Distribution licensee /CERC/HPERC Metering Code and shall conform to the Central Electric Authority (Installation & Operation of Meters) Regulations, 2006.
19. INTERCONNECTION AND GRID CONNECTIVITY:

Himachal Pradesh State Transmission Corporation has been designated as State Transmission Utility (STU) and HPSEBL is licensed Distribution Utility shall provide the interconnection facility to the project developer. The approval of interconnection points and power evacuation system will be done by above agencies as per guidelines of MNRE and regulatory provisions.

A detailed evacuation plan will be prepared by the NES in consultation with HPPTCL/HPSEBL keeping in view the load of the area, Connectivity arrangement, to reduce the T&D losses, AT&C losses and infrastructure expenditure. Generating Plant Sub-station shall be developed and maintained by SPP as per grid code applicable from time to time at his own cost. The SPP shall furnish the requisite system studies for seeking connectivity with the grid at his own cost.

The Areas of the cold desert region where evacuation lines are not available, the innovator firm(s) will have to find out ways and means to transfer power to the nearest inter-connection points available on terms and conditions as agreed by the Government

The project Developer should also apply for connectivity and open access to STU in accordance with the approved procedure for grant of connectivity and open access in the intra State Transmission System.

The solar power producer shall comply to Grid Code including Load Dispatch, Metering Code, System Operation code, Protection Code, Safety code etc. as applicable from time to time in the state of Himachal.

As per the guidelines of MNRE the power of solar plant shall be evacuated in the following manner in general:

Though rooftop system shall be generally connected on LV supply, large solar PV system may have to be connected to 11 kV/22 kV systems. Following criteria have been suggested for selection of voltage level in the distribution system for ready reference of the solar suppliers.

- Up to 20 kWp PV system supply low voltage single phase supply shall be provided.
- Thereafter up to a level of 100 kWp PV system, three phase low voltage supply shall be provided.
- In case load is more than 100 kWp and does not exceed 1.5 MW, SPV system connection can be made at 11 kV/22 kV level.
- In case load is more than 1.5 MW PV systems, SPV system connection can be made at 33 kV/66 kV/132 kV level or as per the site condition.

The above criteria shall be subject to control and protection arrangement as prescribed by HPPTCL/HPSEBL.
20. DISPOSAL OF POWER:

The Solar Power Producer shall be at liberty to dispose the power generated from the plant. The power generated can be used for captive consumption within or outside the state. The Solar Power Producer can opt to sale the power to Discos under Renewable Energy Certificate (REC) Mechanism and/or sale the power to Discos at preferential rate as determined by the State Electricity Regulatory Commission. Third party sale within or outside the state is also allowed under this policy.

HPSEBL Ltd., the Discom in the state is also free to purchase the power from any solar power plant commissioned under this policy. In case HPSEBL agreed to purchase the power from any solar power plant commissioned under this policy then the Power Purchase Agreement (PPA) shall be as per approved model PPA by HPERC.

HPSEBL shall lay down its policy for buying the solar power from various categories based on the load of the area, evacuation arrangement, Distribution arrangement HT/LT system, losses (T&D and AT&C losses) and Transmission charges.

A separate agreement shall be executed for Wheeling and Banking of power with Discom(s) for such transfer of power / Banking. The Wheeling agreement with HPTCL/HPSEBL will be executed separately, if the Solar Power Producer intends to use the system of HPTCL/HPSEBL for wheeling power and have to pay the application, Connectivity charges, open access charges and losses in accordance with the approved rates/charges by HPSERC/CERC from time to time.

21. RENEWABLE PURCHASE OBLIGATION OF SOLAR POWER FOR STATE DISCOM, OPEN ACCESS CONSUMERS AND OBLIGATED CONSUMERS:

The minimum Renewable Purchase Obligation (RPO) of Solar Power for State Discoms, open access consumers and obligated consumers having captive generation of 1 MW and above shall be as per HPERC (Renewable Power Purchase obligation and its compliance) Regulations 2010 vide notification dated 19.06.2010. Installation of solar pv plants upto 100 Kwp or equivalent to or more than their RPO obligations will be made mandatory for the obligated consumers. The State Discoms, open access consumers and the obligated consumers shall also be free to purchase solar power under National Solar Mission mechanism or directly from solar power producer for fulfillment of their Renewable Purchase Obligation through purchase of Renewable Energy Certificates.
22. LADF & LOCAL EMPLOYMENT:

- LADF shall not be applicable under this scheme as the energy from solar power plants is costly and there shall be no impact on the environment/local populace.
- Developer shall have to ensure 70% employment from the bonafide Himachalis who are registered with any of the Employment Exchange located in the state of Himachal Pradesh.

23. INCENTIVES TO THE PROJECT DEVELOPER:

a) Incentive to manufacturers:

   Appropriate tax incentives as per the State Industrial policy will be provided to attract investors.

b) Net Metering:

   Net metering facility shall be extended to Category I, II and III solar projects to feed excess power back with “Power Credits” on a monthly basis. The scheme shall be implemented in two phases. In the first Phase upto 2017 and in the second phase from 2017 to 2022. In the first Stage, a Pilot project shall be executed in the areas identified by HPSEB as per the site, load requirement, wheeling and losses in consultation with HPERC. The scheme shall be extended to the whole State after successful implementation in the first phase. HPSEBL will lay down detailed procedure covering implementation of net metering for applicable categories taking into account CEA’s regulations on installation and operation of meters and approved by commission.

c) Wheeling charges and losses:

   The wheeling charges and losses for wheeling of power generated from the Solar Power Projects, to the desired locations for Captive use/third party sale within the State will be as per the orders of Himachal Pradesh State Regulatory Commission.

(d) Banking:

   The banking facility to the power generated from the Solar Power Projects, will be as per the orders of Himachal Pradesh State Regulatory Commission

(e) Cross Subsidy Charges:

   The Cross subsidy charges on Captive use/third party sale within the State will be as per the orders of Himachal Pradesh State Regulatory Commission.

(f) Electricity Duty:
Exemption from payment of electricity tax to the extent of 100% on electricity generated from solar power projects used for self consumption/sale to utility will be followed for first 5 years.

(g) Facilitation by Nodal agency:

Himurja shall endeavour to facilitate project developer in providing various Statutory Clearances and approvals that are essential for the development and commissioning of solar energy projects in coordination with the concerned department/agencies. Single window clearances will be provided by Himurja so that the plants can be commissioned within scheduled timeline.

h) HPSEB Ltd shall clear all dues of a private party on account of purchase of power within thirty days from the receipt of the bill, failing which penalty @ 1.25% per month shall be payable by HPSEB Ltd. The HPSEB Ltd shall open a revolving Letter of Credit (LC) to ensure timely payment for which the charges shall be borne by the Company. The Letter of Credit provision shall be applicable only in case where the entire power is sold to HPSEB Ltd.

i) By MNRE, Government of India:

The applicable subsidy as per MNRE schemes shall also be provided by GoI through Himurja. Any other benefit for pollution free technologies provided by GoI under any national policy shall also be passed on to the solar power producer.

24. POWER TO REMOVE THE DISCREPANCIES

The discrepancies, if at all arising in the implementation of the said mission, the state Govt. or designated Nodal agency is authorized to issue clarifications as well as interpretation to such provision, as may appear to be necessary for removing such discrepancies on its own motion or after hearing of those parties who have represented for change in any provision. The decision of the State Govt./State Nodal Agency will be final and binding on the issue.

25. FUTURE PLAN:

The solar plant of 10 MW and above shall be taken up as per the Guidelines/Policies of MNRE through Viability Gap Funding (VGF) arrangement. It is proposed to develop Solar Parks, Solar Plants in cold deserts, on Kuhls and Canals and Off Grid Solar Plants in the remote areas of the state.

Notwithstanding anything contained in this policy, the provision of the Electricity Act 2003 and the applicable CERC/HPSEC regulations/orders as issued from time to time shall prevail for the purpose of implementation of this policy.

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26. APPLICATION FOR PLANT

Section A: Owner Details

Name of the Applicant
Type of the Applicant
(Individual/HUF/Partnership/Ltd Co./Pvt. Ltd. Co. /Public Ltd. Co./Cooperative Society)
Postal Address of the Applicant
Town/Suburb
State
Postal Code
Telephone No
E Mail

Section B: Operator Details

Name of the Applicant
Type of the Applicant
(Individual/HUF/Partnership/Ltd Co./Pvt. Ltd. Co. /Public Ltd. Co./Cooperative Society)
Postal Address of the Applicant
Town/Suburb
State
Postal Code
Telephone No
E Mail

Section C: Solar Generating Station Details

Proposed Name of Power Station
Location of Power Station
Physical Address of the Generating Station
Town/Suburb
State
Postal Code
Capacity of Solar Generating Station (in KWP)
Configuration & number of units
Category of Land
(Govt. Land/Private Land)
Land Lease
(Leased/Owned)
Water source / Availability of water (for solar thermal plants only)
Total Installed Capacity of Solar
Generating Station (in KWp)
Total Number of Units

Section D: Connectivity Details with Concerned Licensee (STU/DISCOM)

Name of the Concerned Licensee
under whose jurisdiction the entity is located
Address of the Concerned Licensee
State
Postal Code
Telephone No
E Mail

Interconnection of Power Station with the network:

Enclose details of Power Evacuation Arrangement/ Proposal to Interconnect with the network

Section E: Metering Details

Whether metering complied with the standards issued by Central Electricity Authority / State Grid Code
Are the following metered separately
1) Gross Energy Generated
2) Auxiliary Consumption
3) Net Energy Injection to Grid
4) Self Consumption in case of CPP
Describe the Meter Details
Describe the Metering Points

Section F: Statutory Clearance Details

Statutory Clearances obtained by the Solar Generating Station
including Environmental Clearances

Attach the Copy of Clearances/Approvals

Section G: General Details
Nature and Activities of the Applicant

Furnish list of Directors/Partners of the Organisation

Income Tax PAN Details of the Applicant

Details of the Earlier Power Plant setup by the Applicant

Basic Documents of the Company

Net Worth of the Company

*(Enclose certified true copies of financial statements)*

Estimated cost of the proposed plant (in Rs Lakh)


**Section H: Details of Fee & Charges**

Name of the Bank:

Bank Draft Number/ECS Reference Number:

Date of Transaction:

Details of Amount Paid:

Processing Fees: