



Solar Power Policy for Jammu & Kashmir

Department of Science and Technology

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1. INTRODUCTION

1.1 The challenges of climate change and global warming continuously threaten the world community. The Government of Jammu & Kashmir has taken note of the growing recognition of impact of climate change at the local, national and global levels. The Government recognizes the urgent need to tackle challenges that arise on account of these impacts through integrated policy prescriptions and programmes aimed at mitigation of impacts and adaptation to reduce vulnerability of systems. The Government is also cognizant of the cross-cutting nature of impacts with enormous cost implications for tackling them and that these costs could escalate if preventive action is not taken immediately. Besides this MNRE has launched Jawaharlal Nehru National Solar Mission (JNNSM) under the brand 'Solar India' with the objective to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The Mission has set a target of 20,000MW and stipulates implementation and achievement of the target in 3 phases (first phase up to 2012-13, second phase from 2013 to 2017 and the third phase from 2017 to 2022) for various components, including grid connected solar power.

1.2 The successful implementation of the JNNSM requires the identification of resources to overcome the financial, investment, technology, institutional and other related barriers which confront solar power development in India. The penetration of solar power, therefore, requires substantial support. The policy framework of the Mission will facilitate the process of achieving grid parity by 2022.

1.3 To ramp up capacity of grid-connected solar power generation to 1000 MW within three years – by 2013; an additional 3000 MW by 2017 through the mandatory use of the renewable purchase obligation by utilities backed with a preferential tariff. This capacity can be more than doubled – reaching 10,000MW installed power by 2017 and 20,000 MW or more by 2022 in the country. The transition could be appropriately up scaled, based on availability of international finance and technology.

2. NEED FOR SOLAR POWER PROJECTS

2.1 Solar energy is environmentally friendly as it has zero emissions while generating electricity or heat. The exhaustible reserves of fossil fuels and their volatile market prices further contribute towards energy insecurity. Government recognizes the central role of energy and the need to have a policy to promote efficient use of conventional energy together with proactive establishment and promotion of sustained use of new and non-conventional energy sources and applications to reduce emissions and other impacts of climate change. Based on this “climate efficient initiative” the state has decided to promote energy efficiency measures, adopt preventive management techniques and build capacities for all the concerned stakeholders to contribute and sustain successful transitions to a more energy efficient future duly emphasizing the local relevance of alternatives.

2.2 From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country’s power requirements. It is also clear that given the large proportion of poor and energy un-served population in the country, every effort needs to be made to exploit the relatively abundant sources of energy available to the country. While, today, domestic coal based power generation is the cheapest electricity source, future scenarios suggest that this could well change. Already, faced with crippling electricity shortages, price of electricity traded internally, touched Rs 7 per unit for base loads and around Rs 8.50 per unit during peak periods. The situation will also change, as the country moves towards imported coal to meet its energy demand. The price of power will have to factor in the availability of coal in international markets and the cost of developing import infrastructure. It is also evident that as the cost of environmental degradation is factored into the mining of coal, as it must, the price of this raw material will increase. In the situation of energy shortages, the country is increasing the use of diesel-based electricity, which is both expensive – costs as high as Rs 15 per unit - and polluting. It is in this situation the solar imperative is both urgent and feasible to enable the country to meet long-term energy needs.

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3. OBJECTIVES

3.1 The State Government introduces the Solar Power Policy with the following objectives :

- i) Promoting generation of green and clean power in the State using Solar Energy
- ii) To meet the targets to be achieved countrywide under JNNSM.
- iii) To put in place an appropriate investment climate, that could leverage the Clean Development Mechanism (CDM).
- iv) Productive use of the wastelands, thereby fostering a socio-economic transformation.
- v) Employment generation and skill enhancement of local youth. For this it shall be mandatory for the developers to have at least 50% employees from the state subjects.
- vi) Promotion of R&D and facilitation of technology transfer
- vii) Establish core technical competence in professionals in the state to initiate and sustain use and effective management of newer energy applications.
- viii) Creation of environmental consciousness among citizens

4. OPERATIVE PERIOD

4.1 The Policy will come into operation with effect from its publication in the State Gazette and will remain in force until super ceded or modified by another Policy.

5. CAPACITY CAP

5.1 The minimum project capacity shall be 1 MW. However, if MNRE launches any scheme for lower capacity power plant then that shall also be considered.

6. ELIGIBLE UNIT

6.1 Any company or body corporate or association or body of individuals or project proponents as per MNRE Schemes/ guidelines launched/issued from time to time will be eligible for setting up of Solar Power Plants (SPPs), for the purpose of captive use and / or for sale of electricity as per J&KSERC/ CERC regulations.

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6.2 Entities/ companies/ individuals or group of individual not seeking support from Government & ready to invest in Solar Power Plants will also be eligible units provided the land is also privately owned.

6.3 Innovative projects which combine latest technologies as standalone or combined with solar power plants, completely owned by Private parties/ Companies with no Govt investment will also be eligible.

7. PROCEDURE FOR ALLOTMENT OF SITES FOR DEVELOPMENT OF SOLAR POWER PLANTS

7.1 The Nodal Agency shall prepare a Land Bank containing list of potential sites for development of Solar Power Plants and such sites shall be allotted as per following procedure.

- (i) The available sites shall be advertized to seek bids.
- (ii) All the applications received in response to the advertisement shall be subject to pre-qualification as per evaluation criteria. The applications shall be accompanied with a non-refundable Demand Draft for an amount as shall be specified in the bid document as processing fees.
- (iii) Bids shall be invited on the basis of upfront premium payable to GoJK and shall quote this premium up to two decimal points.
- (iv) The bids shall be subject to two-stage scrutiny. In the first stage the pre qualification of bids will be conducted on the basis of financial and technical capacity in the manner as specified in the bid document or MNRE guidelines as per the scheme. However, nothing shall prevent the Nodal Agency from inviting single cover two package bid consisting of non-financial and financial bid for optimizing the time.

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- (v) The bidders which are found technically responsive shall be asked to submit their price bids based on upfront premium per MW payable to the GoJK.
- (vi) The minimum threshold premium will be specified in advertisement on per MW basis. Bids received beneath this threshold shall be rejected for that.
- (vii) The project shall be allotted to the bidder making the highest bid.
- (viii) In case two or more bidders bid identical premium for a site, then the bidder securing the highest technical score during pre-qualification shall be awarded the project.
- (ix) If after advertisement of the project site, only one tender is received, fresh advertisement would be issued. If a single bid is again received in response to the second advertisement, the said bid shall be considered on the basis of technical and commercial capacity with minimum threshold premium or premium quoted by him whichever is higher.

8. EVALUATION / PRE-QUALIFICATION CRITERIA

8.1 Pre qualification of bidders will be based on financial and technical capacity to mobilize the required resources. Applications will be graded on the basis of balance sheets, annual reports and other supported evidence of financial and technical capabilities.

8.2 The weightage to be given to financial capacity, technical capability, past experience and other relevant attributes of the applicants, the sub-categories of these attributes to be evaluated and their inter-se weightage, the guidelines for evaluation and the passing score on attributes /in aggregate required for pre-qualification shall be specified in the bid documents.

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8.3 Any entity in order to technically qualify shall be required to have an agreement with proven technology supplier of Solar Power Projects for supply of equipments for the plant.

9. SELF IDENTIFICATION OF PROJECTS

9.1 Self identification of sites shall be fully permissible. Whenever such a proposal is received from an entity in respect of a particular project site (*Govt. land*) which has not yet been advertised, the Nodal Agency shall proceed to examine the feasibility of the site for setting up a Solar Power Plant and also determine the optimum power potential that can be harnessed.

9.2 In case the project site is found feasible, it will be advertized to seek bids. Two-stage bid process as mentioned in paras 7.1 shall be followed.

9.3 While evaluating a price bid, for Self identified projects Swiss challenge method shall be adopted with the first right of refusal given to the party which has identified the site.

9.4 In case a proposal is received from an entity in respect of a project site (*private/personal land*), the Nodal Agency shall examine the feasibility of the site for setting up a Solar Power Plant and also determine the optimum power potential that can be harnessed and accordingly shall recommend the application of the Project Proponent to MNRE with prior approval of PAC for development of the site as per the guidelines of the scheme in vogue. However, if the project proponent does not require any tariff subsidy or MNRE incentive then the case will be cleared by PAC with or without the approval of nodal agency and PDD or its successor company (ies) will provide open access as per the procedure in vogue and sign the transmission supply agreement for grant of open access.

9.5 Each case for grant of lease of Government land to the entrepreneurs (whether permanent or non permanent resident of the state) shall be referred to the Revenue Department for a decision in accordance with the relevant norms.

