

GOVERNMENT OF TRIPURA

Draft policy for promotion of generation through New & Renewable Energy Sources

Sl. No	Description	Summary
1	Title	Draft Policy For Promoting Generation of Electricity Through New & Renewable Energy Sources
2	Objective	To promote generation of Grid quality Power through New & Renewable Energy Sources.
3	Operative Period	From the date of its notification in the official gazette and will remain in force until superseded or modified.
4	Eligible Producers	<ul style="list-style-type: none"> • All Power producers generating 10 kW to 25MW of Grid-grade electricity from RE Sources • RE producers in the joint sector, formed by Government agencies & the producers. • Power producers generating electricity for captive consumption • Companies, Co-operative, partnerships, individuals, charitable societies, Non-Govt. organizations.
5	Selection Criteria	<ul style="list-style-type: none"> • Financial Criteria: Average annual financial turnover of the Producer on Establishment, Operation & maintenance for last three consecutive financial years to be at least 50% of the Estimated Project cost. • Technical Criteria: Producer to have <ul style="list-style-type: none"> i). Collaboration with proven technology supplier of concerned power projects (ii) During last 10 years, experience of developing / successful commissioning of two similar projects costing not less than the amount equal to 40% of the estimated cost of the proposed project. <p>Or</p> <p>One similar project costing not less than the amount equal to 60% of the estimated cost of the proposed project.</p>
6	Land Acquisition	<ul style="list-style-type: none"> • Government Land: Land lease, as per existing Government rules and regulations, subject to its availability. • Private Land: Non-Agricultural Conversion of land allowed, if Private/Agricultural land is purchased by the eligible producers • Forest Land: To be considered by the State Forest Department under the existing provisions of Forest Conservation Act.
7	Selection & Process of Allotment	<ul style="list-style-type: none"> • Tripura Renewable Energy Development Agency (TREDA), the State Nodal Agency, invite offers for suitable sites/projects for development in private sector. • Project Approval Committee to scrutinize the offers and submit to the Government with recommendations/comments. • State Government of Tripura to give final decision on the Selection/ award of the projects .Decision of the Government to be final.

		<ul style="list-style-type: none"> • Producers may also, select suitable sites/projects and submit proposals to the Agency in specified format available with the Agency. • Decision on Selection/award of the project to be communicated to the concerned producers normally within 3 months from the date of receipt of the proposal but, in no case the period to exceed 6 months. • Agency/ Department and the producer to enter into necessary agreement within one month of approval/award of the project.
8	Plant & Machinery	<ul style="list-style-type: none"> • Plant and machinery of latest design and high efficiency to be preferred for installation. • Protective / safety devices as approved by the Department in the grid code to be incorporated in the systems by the producers. • Developer to obtain the clearance certificate from the State Electrical Inspectorate before commissioning.
9	Power Purchase Agreement (PPA)	<ul style="list-style-type: none"> • Department and eligible producers to enter into a PPA for a minimum period of 10 years. • However, if any eligible producer intends to enter into PPA for shorter period, Department to consider such proposal on merit .
10	Grid Interfacing	<ul style="list-style-type: none"> • Interfacing including transformers, panels, kiosk, protection, metering, high tension lines etc as required from the point of generation to the nearest high tension lines, as well as their maintenance to be undertaken by the producer as per the specifications and requirements of the Power Department / TRIPURA STATE ELECTRICITY COMPANY LIMITED (TSECL), and producers will bear the entire cost • Alternatively, these works and their maintenance could be undertaken by the Department at charges to be decided by the Department / TSECL and the Producer on mutual agreement. • Advance intimation to Department / TSECL with the time schedule to be furnished by the eligible producer. • Department to undertake augmentation of the sub-station capacity at 33/11 KV or higher levels at its cost to receive the power generated. • Power Department, Government of Tripura / TSECL to undertake, at its cost, augmentation of transmission lines, if required. • Eligible producer at his cost to install the line equipment as required for grid connectivity and install meters at his end to measure the outflow and inflow of energy as per the prevailing Rules and Regulation of the Department. • In case of decentralized generation of power for local consumption, Department /TSECL to undertake, at its cost, construction of required local transmission and distribution lines, if the same do not exist in the locality. • Department/TSECL to be the owner of the T & D lines constructed at its cost and the producer to pay the wheeling charges to the Department/TSECL for using such T & D lines. • Producer to ensure the “Grid Quality” of power delivered.

		<ul style="list-style-type: none"> • In the event of technical problem for synchronizing with Grid, energy producer to distribute energy locally as stand alone source. , as authorized by Department. • Producer to comply with grid code including load despatch & system operation code, metering code, protection code, safety code etc. as applicable from time to time in the state of Tripura.
11	Wheeling Charges	<ul style="list-style-type: none"> • Department to transmit on its grid the power generated by producer and make it available to him for captive use or to a third party nominated by producer for sale within the State, at a uniform wheeling charge as decided mutually by the concerned authorities or @ 2% of the energy supplied to the grid. • However, CERC/TERC regulations, if any in force, will be the guiding factor in deciding such wheeling charges.
12	Tariff	<ul style="list-style-type: none"> • It will be compulsory for the Department / TSECL to purchase electricity offered by the producers at a Price fixed by Commission/TERC, as preferential tariff as per provisions of I. E. Act 2003, with no restriction on time or quantum of electricity supplied for sale. • Thereafter the rate of increase of tariff every year to be mutually settled between Department / TSECL and the producer. • However, at any point of time, the TERC's Regulation on Renewable Purchase obligation and compliance to be a guideline and decision of Commission / TERC to be final. • Producer with concurrence of the Department may sell electricity generated to a third party within and outside the State, at a rate to be settled as per regulations of the TERC. • However, if the third party is a consumer of Power Department and needs support of the Department's system in case of outage of power from the power station of the producer, the third party will have to pay minimum charges as per Schedule of Tariff of the Department in force.
13	Use of Conventional Fuel	<ul style="list-style-type: none"> • Use of conventional fuel in the process of generation of electricity to be allowed for Biomass based projects in the event of reduced biomass availability • Use of conventional fuel to be restricted to 30% on the basis of the criteria applicable for an efficient Dual fuel Biomass based power plants as finalized by the Department
14	Banking	<ul style="list-style-type: none"> • State Electricity Corporation or the Agency or the Department, to permit electricity generated to be banked for a period up to one Financial year. • If the banked energy is not utilized by the producer within one month of the end of the concerned Financial year, the same will be treated as purchased by the State Electricity Corporation or the Agency or the Department, as the case may be and will be settled at the rate specified in the Power Purchase Agreement.
15	Security Deposit	<ul style="list-style-type: none"> • Producer, within one month upon approval of the project, to deposit with the department, an amount equal to 2.5% of the estimated cost of

		<p>the project as security deposit towards completion of the project within the prescribed time frame.</p> <ul style="list-style-type: none"> • Amount to be released on successful commissioning of the project within the time frame. • Deposit may be in the form of Bank guarantee on any Nationalized Bank.
16	Transactions Settlement	All transactions between the Department and the eligible producer involving wheeling or sale of power to be settled on a monthly basis.
17	Exemption from Demand Cut	A reduction in contract demand to the extent of 30% of installed capacity of the power plants to be permitted by the Department, in case power plant is not utilizing Department's Grid for supply of power to the consumer.
18	Exemption from Electricity Duty	Exempted for its captive use or upon sale to a nominated third party.
19	Incentives	<ul style="list-style-type: none"> • Grant of incentives available to Industries: Eligible producers to be treated an eligible Industry and similar incentives will be available to them. • Infrastructural facilities such as approach road, water supply, power during construction period, etc. will be provided on the lines of provisions for such facilities to other industrial units if located within Industrial Areas / estates / Growth Centre / Parks. • Incentives provided by Central Government : Action to be taken as per existing framework for processing of applications received for various incentives under "North East Industrial and Incentive Promotion Policy (NEIP), 2007. • Sales Tax Exemption: - Renewable Energy equipment and materials shall be exempted from State sales tax / VAT or other state levies or alternately, sales tax/VAT paid by the producer on Renewable energy equipments and materials to be suitably reimbursed to the producer. • Free supply of solid waste at site :- Concerned Municipal/ urban local bodies to provide garbage at the project site free of cost for urban, Municipal (Solid/Liquid) & industrial waste based power projects. • Alternatively, the producers will be allowed to collect the garbage at its own & the concerned Municipal / Urban local body will pay charges to the producers on mutually agreed terms & conditions.
20	Facilitation by The Agency	<ul style="list-style-type: none"> • Clearances for the project at the State and Central levels. • Grant of loans to such projects by Indian Renewable Energy Development Agency (IREDA) and subsidies by the Ministry of New and Renewable Energy (MNRE), Government of India.
21	Availability of Water For Power Generation	<ul style="list-style-type: none"> • Producers to be allowed to use water for project construction and for power generation, wherever possible. • Cost of modification(s) required, if any, in the existing canal system to be done by the Minor Irrigation Department (MID) or Agriculture Department, at the cost of the producer. • MID or the Department entrusted with minor irrigation not to charge royalty for use of such water for initial period of 7 years.

		<ul style="list-style-type: none"> • In case of mini hydel, the royalties of forest items for construction of reservoirs / dams / Power House / fore-bay / penstocks etc. to be exempted.
22	Time Frame	<ul style="list-style-type: none"> • The sanctioned projects to be completed and commissioned within a period of 12 to 18 months, from the date of issue of formal sanction/approval. • If the producer fails to maintain this timeframe without sufficient and appropriate reasons, the approval/sanction to be cancelled and all facilities extended to the eligible producer to be withdrawn. • Security Deposit to be forfeited.
23	Sharing Of CDM Benefit	<p>CDM benefits between Developer and Beneficiaries will be as :</p> <ul style="list-style-type: none"> • 100% of gross process to be retained by the project developer in the first year after the date of commercial operation of the generating station. • In the second year, the share of the beneficiaries to be 10 % which shall be progressively increased by 10% every year till it reaches 50%, • There after the proceeds shall be shared in equal proportion, by the generating company and the beneficiary.
24	Monitoring Committee	A State Level Monitoring Committee headed by the Chief Secretary of the state and the Principal Chief Conservator of Forests to monitor the progress of generation of electricity, undertake review of the policy if required and makes recommendations to the State Government accordingly.
25	Quality Control	<ul style="list-style-type: none"> • To be ensured by TREDAs. • For issues relating to grid connectivity & distribution etc., Department to be ensure the delivery of quality power to consumers.