

## Karnataka Solar Policy 2014 (3rd Amendment)

### HIGHLIGHTS

<b>Nodal Agency</b>	Karnataka Renewable Energy Development Ltd (KREDL).
<b>Applicable Technologies</b>	Solar PV, solar rooftop, solar thermal, canal-top, solar pump sets, solar-renewable hybrid projects.
<b>Policy Period</b>	2014-2021
<b>Targets under Policy</b>	<ul style="list-style-type: none"><li>• Capacity addition of 6000 MW including 2400 MW from rooftop projects by 2021.</li><li>• Promotion of investment in solar industry and enhanced employment opportunities.</li><li>• Introduction of inter-state open access model and energy banking.</li><li>• Wind-solar hybrid technology.</li></ul>
<b>Eligible Entities</b>	<ul style="list-style-type: none"><li>• Any individual.</li><li>• Any firm/society/institution/registered company.</li><li>• Residential/commercial/govt./building owners.</li></ul>
<b>Policy Evaluation</b>	After study in FY 2019-20, suitable amendments will be given.
<b>Tax Exemption</b>	Not available.
<b>Evacuation Arrangement</b>	Shall be borne by the developer as per CEA regulations.

<b>Fees and Charges (Rs.)</b>	<b>Category</b>	<b>Application Fees (per project)</b>	<b>Facilitation Fee</b>	<b>Deposit/ MW</b>	<b>Net worth/ MW</b>
	Competitive bidding	10,000	100,000/MW	10,00,000	30% of capital cost
	REC (Supply at APPC)	10,000	20,000/MW	5,00,000	50,00,000
	Captive/Group captive	10,000	25,000/MW	5,00,000	30% of capital cost
	IPP for sale	10,000	25,000/MW	5,00,000	30% of capital cost
	Solar park on wasteland	1,00,000	25,000/MW	0	2,00,00,000
	Bundled power	10,000	10,000/MW	0	0
	Rooftop (5 to 50 kW)	1,000	2,000/project	0	0
	Rooftop (51 to 1000 kW)	2,000	5,000/project	0	0

## **OTHER PROVISIONS**

<b>RPO Target</b>	<b>Year</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>Solar RPO as % of total consumption of energy</b>	1.5	1.75	2.0	2.25	2.5	2.75	3

<p>Category of Solar Projects</p>	<ul style="list-style-type: none"> <li>• Category 1: Removed in the amendment.</li> <li>• Category 2: Projects based on competitive bidding for capacities more than 3 MW will be selected based on two categories: those availing AD benefits and those not availing AD benefits. The minimum capacity allocation for grid-connected plants will be 3 MW for solar PV and 10 MW for solar thermal.</li> <li>• Category 3: Projects under REC Mechanism - Developer can sell electricity to ESCOMs at APPC, as determined by KERC. Minimum capacity allocation is 1 MW for solar PV and 10 MW for solar thermal. Maximum allocation is limited to transmission capacity.</li> <li>• Category 4: Projects under captive/group captive generation will have no limit on the minimum and maximum project allocation. The wheeling, banking charges and cross-subsidy surcharge are applicable as per KERC guidelines.</li> <li>• Category 5: Projects under IPPs - Minimum capacity is 1 MW for solar PV and 10 MW for solar thermal.</li> </ul> <p>Projects under bundled power - The state encourages central/state PSUs and government-initiated power exchanges to set up solar power projects for providing solar power bundled with thermal power from outside the state at rates determined by the govt., subject to approval by CERC/KERC. The capacity allocations under this category are based on the bundled tariff agreed with the power purchaser.</p>
<p>Net Metering</p>	<ul style="list-style-type: none"> <li>• The state govt. shall encourage grid-tied, building-integrated, PV based, building architecture. ESCOMs to issue specific guidelines for connectivity of rooftop projects to the network. Project capacity is restricted by regulations issued by KERC.</li> <li>• Gross metering service is available for solar rooftop only. Energy injected into the grid will be compensated on rate fixed by KERC.</li> <li>• Wind-solar hybrid projects are promoted to rooftop sector.</li> </ul>
<p>Solar off-grid and Decentralized Distributed Generation (DDG):</p>	<ul style="list-style-type: none"> <li>• State govt. encourages solar street lights (through local bodies) and rooftop SPV systems with battery storage, in rural and urban areas, so as to reduce the dependency on the grid.</li> <li>• Solar powered pump sets - Since irrigation pump sets in Karnataka consume about one third of the total energy, the use of solar powered pump sets will reduce burden on the grid.</li> </ul>
<p>Other Initiatives</p>	<ul style="list-style-type: none"> <li>• Development of solar parks - Utilizing waste lands for development of solar parks in off-grid and grid-connected mode. Size of solar park is limited to 100 MW per taluka. Minimum size of private solar parks to be 25 MW.</li> <li>• Grid-tied canal corridor projects - State shall support such projects by the irrigation department subject to purchase of energy by ESCOMs.</li> <li>• Grid-connected "solar with other renewable hybrid projects" - State shall promote solar projects with other renewable sources, provided a minimum of 25% of overall generation comes from the respective sources.</li> </ul>
<p>Fiscal Incentives</p>	<ul style="list-style-type: none"> <li>• MNRE provides concessions such as Central Financial Assistance, concessional customs duty on specified items, excise duty and sales tax exemption, tax holidays etc.</li> <li>• Tax concessions by the state govt. on entry tax, stamp duty and registration charges according to industrial policy.</li> </ul>

Change of category by solar plant	IPP and captive/group captive can change to solar park category but bank guarantee will not be returned.
Links	<a href="http://kredinfo.in/solargrid/Solar%20Policy%202014-2021.pdf">http://kredinfo.in/solargrid/Solar%20Policy%202014-2021.pdf</a>
References	<a href="#">(1<sup>st</sup> amendment)</a> <a href="#">nd amendment)</a> <a href="#">(3<sup>rd</sup> amendment)</a>