

Karnataka Solar Policy - 2014

HIGHLIGHTS

Nodal Agency	Karnataka Renewable Energy Development Ltd (KREDL)
Applicable Technologies	Solar PV, rooftop solar PV, solar thermal, canal top PV, solar pump sets, solar-renewable hybrid projects
Policy Period	2014-2021
Targets under Policy	Capacity addition of 2000 MW by 2021, minimum solar RPO of 3%
Incentive Amount	Rs. 1 crore financial assistance for solar park (off-grid) development, area not less than 100 acres, in backward districts, as per Nanjundappa committee recommendations
Eligibility Conditions	• Any individual/firm/society/institution/ • registered company/residential/commercial/ • govt./building owners
Policy Evaluation	Govt. will undertake evaluation when required
Tax Exemption	Not available
Evacuation Arrangement	Shall be borne by the developer as per CEA regulations

OTHER PROVISIONS

This policy has set minimum and maximum capacity allocation for each segment of solar technologies classified below. The maximum capacity for grid connected systems is restricted to transmission capacity for that region.

Minimum targets	Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Utility scale projects	350	150	150	150	200	200	200
	Rooftop solar PV	100	100	100	100	-	-	-
	RPO targets are given in table below:							
	Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Solar RPO as % of total consumption of energy	1.5	1.75	2.0	2.25	2.5	2.75	3

**Category of
solar projects**

Segment 1 – Utility Scale grid connected solar PV and concentrated solar power projects (CSP):

Category 1: Projects to promote distributed generation by land-owning farmers throughout the state – Minimum capacity 1 MWp, maximum capacity 3 MWp, per land owning farmer, for sale of power to ESCOMs at rate determined by KERC, from time to time. Cumulative capacity under this category limited to 300 MW. The capacity allotment to ESCOMs is given below:

ESCOMs	% of total annual energy consumption	Capacity addition for 2014-20
BESCOM	48%	144 MW
MESCOM	8%	24 MW
HESCOM	20%	60 MW
GESCOM	13%	39 MW
CESC	11%	33 MW

- Category 2: Projects selected based on competitive bidding process for capacities more than 3 MW–Projects will be selected based on two categories –Availing AD benefits and 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.
- Category 3: Projects under REC Mechanism –, Developers 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.
- Category 4: Projects under Captive/Group Captive Generation There is no limit for minimum and maximum project allocation. The wheeling, banking and cross subsidy surcharge are applicable as per KERC guidelines.
- Category 5: Projects under IPPs – Minimum capacities under this category – 1 MW for solar PV and 10 MW for solar thermal.
- Category 5: Projects under bundled power – The state encourages central/state PSUs and power exchanges initiated by the govt. for setting up solar power projects providing bundled power with thermal power from outside the state at rates determined by the govt. subject to the approval of CERC/KERC. The capacity allocations under this category are based on bundled tariff as agreed with the power purchaser.
- Segment 2 – Grid connected solar rooftop projects and metering: State govt. shall encourage grid-tied building integrated PV based building architecture. ESCOMs shall define specific guidelines for connectivity of roof top projects to the network.
- Segment 3 – Solar off-grid and Decentralized Distributed Generation (DDG):
- State govt. encourages options like solar street lights (through local bodies), rooftop SPV systems with battery storage, in both rural and urban areas, to reduce the dependency on the grid.
- Solar powered pump sets – Irrigation pump sets in Karnataka consume about one third of total energy. Use of solar powered pump sets will reduce the burden on the grid.

Other initiatives	• Development of solar parks - Utilizing waste lands for development of solar parks in off-grid and grid-connected mode. • Grid-tied canal corridor projects - State shall support such projects by irrigation department subject to purchase of energy by ESCOMs. • Grid-connected "solar with other renewable hybrid projects" - State shall promote solar projects with other renewable sources, with minimum of 25% of overall generation coming from respective sources.
Fiscal incentives by MNRE & GoK	• MNRE fiscal and financial incentives include concessions such as Central Financial Assistance, concessional custom duty on specified items, excise duty and sales tax exemption, tax holidays etc., which shall be extended to developers. • Tax concessions in respect of entry tax, stamp duty and registration charges shall be as per Karnataka Industrial Policy as amended by GoK from time to time. • Reduction in contract demand shall be allowed pro-rata on a permanent basis subject to decision of KERC.
Provision for Policy Review	Not available
Links	http://kredlinfo.in/
References	http://kredlinfo.in/solargrid/Solar%20Policy%202014-2021.pdf