

## Government of Karnataka

Notification No.: EN 49 VSC 2016

Karnataka Government Secretariat  
Energy Department, Vikasasoudha,  
Bengaluru, Dated:12-01-2017

### **NOTIFICATION**

Government of Karnataka has issued Solar Policy vide Notification No. EN 21 VSC 2014 dated: 22-05-2014.

In the recent times, the solar energy has witnessed rapid growth in the segment with significant technological advancement and increase in the market competition and reduction in solar tariffs. Govt. of India has issued the Tariff policy dated: 28-01-2016 under the Electricity Act, 2003. As per the Tariff policy and targets fixed by MNRE to the State, the solar renewable purchase obligation has been revised to a minimum of 8% purchase of solar energy of the total consumption of the State, excluding Hydro energy by March 2022. The policy of the Govt. of India also envisages that 40% of the solar generation should be through roof top. As per the new Tariff policy and targets fixed by MNRE to the State, the minimum generation required by 2022 is 6000MWs.

In view of new Tariff policy, targets fixed by MNRE to the State and the experience over the last two years, it is necessary to make amendments in the Solar Policy. The total target has to be increased to a minimum of 6,000 MWs by 2021. The Cabinet approved the following amendments to Solar Policy 2014-21 vide No. C:01/2017 dated: 10.01.2017.

These amendments come in to force with immediate effect.

<b>Reference</b>	<b>Existing clause</b>	<b>New clause</b>
1. Preamble 1 <sup>st</sup> paragraph	"The Government of India's Jawaharlal Nehru National Solar Mission (JNNSM) launched in January 2010, with the objective of achieving 34152 MW of solar power capacity by 2022 which will be around 3% of the total energy consumption and it is	The clause below shall be substituted for the existing clause:  <i>"The Government of India's objective of achieving 100,000 MW of solar power capacity by 2022 is a</i>

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	a concentrated effort to tap India's naturally available energy sources and contribute to low carbon sustainable growth in the country, while overcoming its ecological and energy security challenges.”	<i>concentrated effort to tap India's naturally available energy sources and contribute to low carbon sustainable growth in the country, while overcoming its ecological and energy security challenges.”</i>
1. Preamble 3 <sup>rd</sup> paragraph	“Assessment on Solar Potential in Karnataka estimates the energy potential as 20 GW. However, considering different factors like availability of waste lands, evacuation infrastructure etc., the moderated potential may be around 10 GW. Karnataka has the potential to evolve as a Solar Generation hub in India due to a host of factors.”	The clause below shall be substituted for the existing clause:  <i>“The solar energy potential in Karnataka is estimated in excess of 24,700 MW. However, the actual potential for solar energy is significantly higher than the estimated capacity, considering the recent technological advances and increasing efficiencies brought in solar energy segments.”</i>
1. Preamble 4 <sup>th</sup> paragraph	“To harness the potential of solar resources in the state, Government of Karnataka had issued a Solar Policy for the period 2011-16. In light of changes unfolding in the sector and achievements made by Solar forefront States, it is felt necessary to go aggressively for higher targets to achieve 3% contribution from Solar Source out of total energy consumption. The advantages of Solar energy are that the grid parity is realized in near future, lower transmission losses, environmental benefits, energy sustainability, lower gestation period, offset of day time peak lead etc. considering the fact the Government of Karnataka has decided to review the policy.”	The clause below shall be substituted for the existing clause:  <i>“To harness the potential of solar resources in the state, GoK had issued a Solar Policy for the period 2011-16. In light of changes unfolding in the sector and achievements made by Solar forefront States, it is felt necessary to go aggressively for higher targets to achieve 8% contribution from Solar Source out of total energy consumption, excluding Hydro energy, by March 2021 in line with the objectives of Tariff Policy dated 28 January 2016 and targets fixed by MNRE to the State. The advantages of Solar energy are that the grid parity is realized in near future, lower transmission losses, environmental benefits, energy sustainability, lower gestation period, offset of day time peak load etc. Going forward, GoK is planning to implement the solar projects under the distributed generation approach in which the electricity generated at or near a point will be consumed at or near the point only; and such</i>

Reference	Existing clause	New clause
		<i>projects will be implemented through rooftops and/or ground mount systems to be connected to the local grid of the respective ESCOMs. This will facilitate to off-set the peak electricity, and stabilize the local grid of the ESCOMs.</i>
3. Operative period	-	<p>The clause below shall be added to the existing clause:</p> <p><i>“However, in order to bring in course corrections based on the load growth study and also evaluate the impact of policy, GoK will undertake an evaluation of this Policy in the year 2019. The evaluation will assess the impact of this Policy on the sector and the achievements against the growth targets and in case of a requirement, issue amendments to the Policy with the suggested changes.”</i></p>
5. Objectives 1 <sup>st</sup> bullet	“To add solar generation of minimum 2000 MW by 2021 in a phased manner by creating a favorable industrial atmosphere”	<p>The clause below shall supersede the existing clause:</p> <ul style="list-style-type: none"> <li>• <i>“To add solar generation of minimum 6,000 MW by March 2021 in a phased manner by creating a favorable industrial atmosphere.”</i></li> </ul>
5. Objectives 6 <sup>th</sup> bullet	“To promote R&D and innovations, skill development in the sector.”	<p>The clause below shall be substituted for the existing clause:</p> <ul style="list-style-type: none"> <li>• <i>“Establish a “Solar energy center of excellence and incubation center” at State level for promoting innovation in technology, skill development, and Research &amp; Development.”</i></li> </ul>
5. Objectives	-	<p>The clauses below shall be added to the existing clause:</p>

Reference	Existing clause	New clause
		<p>“</p> <ul style="list-style-type: none"> <li>• To implement the solar projects with a distributed generation approach, spread across all taluks of the State to facilitate in off-setting the peak electricity, and stabilize the local grid of the ESCOMs.</li> <li>• To introduce inter-state open access based business models viz. captive models and third party models through concessional banking and wheeling facilities.</li> <li>• Set up a dedicated “Project Monitoring Cell” enabling improved project planning, coordination and monitoring.</li> <li>• Introduce gross metering under solar rooftop generation for various category of consumers.</li> <li>• Introduce solar-wind hybrid under rooftop generation for various category of consumers.”</li> </ul>
<p>8. Minimum Program Targets</p>	<p>“The Government of Karnataka in its endeavor .....  .....  .....</p> <p>The minimum targets proposed for the policy period is as below:</p> <p><i>[Including the table mentioning the year-on-year targets for the segments viz. Utility scale projects and Roof top solar PV project (grid connected and off grid)]”</i></p>	<p>The clause below shall be substituted for the existing clause:</p> <p><i>“Government of Karnataka in its endeavor to achieve minimum of 8% contribution from Solar Source out of total energy consumption, excluding Hydro energy by March 2021 in line with the objectives of Tariff Policy dated 28 January 2016 and targets fixed by MNRE to the State. It is proposed to install a minimum 6,000MW solar power projects by March 2021, where in the target for grid connected roof top generation projects upto 2,400 MW.”</i></p> <p><i>“Solar generation would be limited to 200 MWs per Taluk from all sources of generation excluding projects</i></p>

Reference	Existing clause	New clause
		<i>implemented on solar roof tops. Such projects shall be allocated based on first come first serve basis for various categories of projects identified under this clause of the Solar Policy, with a priority for projects under the State programme".</i>
<p>8. Minimum Program Targets</p> <p><u>Under Segment 1,</u></p> <p>Category 1: Projects to promote distributed generation by land owning farmers through state</p>	<p>"Category 1: Projects to promote distributed generation by land owning farmers throughout the state. ....  .....  ....."</p> <p>The capacity allocation for ESCOMs is as below:  <i>[Including the table mentioning ESCOM wise % of total annual energy consumption and Capacity for the period 2014-20]</i>"</p>	<p>The existing clause stands deleted.</p>
<p>8. Minimum Program Targets</p> <p><u>Under Segment 2,</u></p> <p>Net metering</p>	<p>-</p>	<p>The clause below shall be added to the existing clause under the bullets identified in the clause "The concept is a combination of captive consumption and exchange of power with the utility."</p> <p>"</p> <p>– <i>Restriction on maximum project capacity: The maximum capacity of the project shall be as per Regulations to be issued by KERC in this regard from time to time, to address technical, safety and grid security issues.</i>"</p>
<p>8. Minimum Program Targets</p> <p><u>Under Segment 2,</u></p>	<p>-</p>	<p>The clause below shall be added to the existing clause:</p> <p>"</p> <p><b>Gross metering:</b>  <i>Gross metering arrangements are proposed (at</i></p>

Reference	Existing clause	New clause
		<p>multiple voltage levels) to focus on gross metering of energy generated from roof top PV. The concept is on exchange of power with the utility.</p> <ul style="list-style-type: none"> <li>- This arrangement shall be applicable as per Regulations issued by KERC from time to time.</li> <li>- Restriction on maximum project capacity: The maximum capacity of the project shall be as per the Regulations issued by KERC in this regard from time to time to address technical, safety and grid security issues. In case of solar rooftop PV systems connected to the grid of a distribution company on a gross basis, the total energy injected shall be paid by the ESCOMs at a tariff determined by KERC from time to time.</li> </ul>
<p>8. Minimum Program Targets</p> <p><u>Under Segment 2,</u></p>	-	<p>The clause below shall be added to the existing clause:</p> <p>“</p> <p><b>Solar-Wind hybrid under rooftop generation:</b></p> <p><i>This arrangements are proposed (at multiple voltage levels) to focus on net/gross metering of energy generated from grid roof top PV plants as per regulations issued by KERC from time to time.”</i></p>
<p>9. Other initiatives</p> <p>a. Promotion of distributed generation through small solar parks.</p>	<p>“The Government of Karnataka contemplates to provide financial assistance of Rupees 1 (one) Crore for development of each solar park with area not less than 100 acres through a viable model (PPP or Private participation or other) in the backward districts identified as per the recommendations of Nanjundappa committee”</p>	<p>The existing clause stands deleted.</p>
<p>9. Other initiatives</p>	-	<p>The clause below is added to the existing clause:</p>

Reference	Existing clause	New clause
b. Promotion of integrated solar parks.		<i>"The capacity for such solar parks shall be limited to a maximum of 100 MW at a single location, subjected to the overall limit of 200 MW per taluk from all the sources of solar generation, excluding the projects implemented on the solar rooftops."</i>
9. Other initiatives 2 <sup>nd</sup> bullet	"GoK contemplates to create private land banks owned by individual farmers/ group of farmers/ associations for development of solar projects on long term lease basis up to 30 years (subject to renewal after lease period) at lease rates fixed by GoK from time to time, in coordination with Revenue Department." under the 2 <sup>nd</sup> bullet as per clause 9 (Other initiatives)"	The existing clause stands deleted.
10. Project Approval	"High Level Project Approval Committee (HLPAC) ..... All projects of capacity more than 1 MW under RECM, IPP and captive generation projects shall be approved by the Government."	The clause below shall be substituted for the existing clause:  <i>"Government Order shall be approved by the Government of Karnataka on recommendation of KREDL."</i>
15. Fees & Charges	"Fees and charges applicable for the year 2014-15 across various categories of the utility scale and rooftops are as given below:"	The clause below shall be substituted for the existing clause:  <i>"Fees and charges applicable across various categories of the utility scale and rooftops are as given below:"</i>
15. Fees & Charges	-	The new line item below shall be added to the existing table:  <i>For solar parks mentioned under b. Promotion of integrated solar parks as per clause 9 (Other initiatives), the Application Fee shall be INR 1,00,000 per Project, Facilitation Fee per MW(INR)25,000, Performance Guarantee/ MW (INR) NA and Networth per MW(INR)</i>

Reference	Existing clause	New clause
		<p>2,00,00,000.</p> <p><i>The following para shall be added below the table:</i></p> <p><i>For Solar Projects of Captive/Group Captive and IPP for 3<sup>rd</sup> party sale, transfer fee per MW (INR) 1,50,000 and time extension fee shall be per MW(INR)</i></p> <p><i>First year -1,00,000</i></p> <p><i>Second Year -2,00,000</i></p> <p><i>Third Year -3,00,000</i></p> <p><i>Fourth Year -5,00,000</i></p> <p><i>Government will issue cancellation order after fourth year.</i></p>
<p>15. Fees &amp; Charges</p> <p>Note</p>		<p>The clause below is added to the existing clause:</p> <p>“</p> <ul style="list-style-type: none"> <li>• <i>Non-refundable Application fee with prevailing service tax &amp; Facilitation fee to be paid along with Application.</i></li> <li>• <i>IPPs, Captive/ Group Captive, REC applicants should get Govt. approval duly submitting the application and the relevant documents as detailed in KERDL website “kredlinfo.in”, along with the application fee.</i></li> </ul> <p>”</p>
<p>18. Policy initiatives under consideration of GoK to promote solar power projects</p>	<p>“Through this policy GoK intends to bring various categories of consumers under Solar Purchase Obligation (SPO).”</p>	<p>The existing clause stands deleted.</p>
<p>21. Power to remove difficulties</p>	<p>“If any difficulty arises in giving effect to this policy, the HLPAC as under clause-10, above, is authorized to issue clarifications as well as interpretations to such provisions, as may appear to be necessary for</p>	<p>The clause below shall be substituted for the existing clause:</p> <p><i>“If any difficulty arises in giving effect to this</i></p>



Reference	Existing clause	New clause
	removing the difficulty wither on its own motion or after hearing those parties who have represented for change in any provisions.”	<i>policy, KREDL in consultation with Energy Department, GoK and after taking approval from GoK is authorized to issue clarifications as well as interpretations to such provisions, as may appear to be necessary for removing the difficulty wither on its own motion or after hearing those parties who have represented for change in any provisions.”</i>

BY ORDER AND IN THE NAME OF  
GOVERNOR OF KARNATAKA,



(VISHWANATH P. HIREMATH)  
DEPUTY SECRETARY TO GOVERNMENT,  
ENERGY DEPARTMENT.

To,  
The Compiler, Karnataka Gazette, Bengaluru, for publication in the Extra-ordinary Gazette and to supply 200 copies to Energy Department, VikasaSoudha, Bengaluru.

Copy to:

1. The Secretary, Ministry of New and Renewable Energy, Government of India, Block 14, CGO Complex, Lodhi Road, New Delhi.-110003.
2. The Managing Director, KPTCL, KaveriBhavan Bengaluru-560009.
3. The Managing Director, KPCL, ShakthiBhavan Bengaluru.
4. The Managing Director BESCOM/MESCOM/GESCOM/HESCOM/CESC/ PCKL.
5. The Managing Director, Karnataka Renewable Energy Development Limited, Bengaluru.
6. The Secretary, Karnataka Electricity Regulatory Commission, Bengaluru.

7. The Director(Finance)/Additional Director(EMC)/Joint Director (NCE)/Joint Director(PP), Energy Department.
8. P.S. to Hon'ble Minister for Energy, VidhanaSoudha, Bengaluru.
9. P.S to the Chief Secretary to Government, VidhanaSoudha, Bengaluru.
- 10.P.S to the Additional Chief Secretary to Hon 'ble Chief Minister, VidhanaSoudha, Bengaluru.
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