

## **Unconventional Energy Generation Policy-2020**

### **Part-1 - New and Renewable (Unconventional) Energy of the State Transmission of power generation from sources for attached projects Integrated Policy-2020 and Part-II - New and Renewable State Transmission of power generation from (unconventional) energy sources Integrated Policy for Projects – 2020**

**Government of Maharashtra**  
**Department of Industry, Energy and Labor,**  
**Govt. Resolution No. : अपाऊ-2020 / Q.No.137/Energy-7**  
Hutatma Rajguru Chowk, Madam Cama Road, Mantralaya, Mumbai 400 032.  
Dated: December 31, 2020.

- Ref:** 1) Government Resolution, Department of Industry, Energy and Labor, No. Apau-2015/ Q No.49 / Energy-7, dated 20/07/2015  
2) G.R., Department of Industry, Energy and Labor, No. Apau-2015 / S.No.367 /Energy-7, dated 11/02/2016.  
3) Number of Maharashtra Energy Development Agency, Pune: Mahaurja /Coordination/Government Correspondence / 2020-21 /Proposal dated 28/07/2020, 1947.

#### **Preface: -**

Due to increasing industrialization and urbanization in the state, the demand for conventional electricity is increasing day by day. This electricity is being generated mainly from energy resources like coal, petroleum products, natural gas. These energy resources are limited and will be depleted in the future. Excessive use of unknown energy sources is contributing to air pollution. This is causing global warming and the adverse effects of climate change on everyone. According to the Paris Agreement, it is committed to generate 40 per cent of energy from fossil fuel sources by 2030 as per the national standard.

Considering the importance of new and renewable (unconventional) energy sources, the central government has set a target of generating 175 gigawatts of electricity from various non-conventional energy sources by the year 2022. Of this, 100 gigawatts will be generated by solar energy, 60 gigawatts by wind energy and the remaining 15 gigawatts by other non-conventional energy sources. The participation of all the states will be important for the fulfillment of these objectives within the stipulated time. Considering the potential of power generation from available energy sources in the state, efforts need to be made to commission non-conventional power projects with a capacity of 25,000 MW by 2025.

The government has been formulating a policy on non-conventional energy generation since 1995 to increase the amount of electricity generated from alternative energy sources as compared to conventional power generation. Under this policy, non-conventional power projects with a capacity of 9305 MW have been commissioned by the end of March 31, 2020 and a total of 2123 MW capacity projects are in progress for commissioning. In view of this, there is a lot of scope in the field of unconventional energy generation in the state.

The Maharashtra State Electricity Regulatory Commission (MERC) has imposed renewable energy procurement restrictions (solar and non-solar) on power distribution companies in the state. This has required all power distribution companies to purchase a certain amount of non-conventional energy as compared to the total electricity consumption in their licensed area. As a result, planning is needed to achieve the goal of building a non-conventional power plant with a capacity of 25,000 MW by 2025. Therefore, it is necessary to reconsider the existing unconventional energy policy and formulate a new policy that encourages the participation of the government and the private sector. It is mainly intended to create a conducive environment for private / private investment in transmission attached, non-transmission and storage projects.

In view of the above, it was under consideration of the Government to issue a Connected Non-Conventional/non-transmission Energy Generation Policy-2020 for power generation projects new and renewable (non-conventional) energy sources.

**Government Resolution: -**

The Government is approving the implementation of Integrated/ non-transmission Non-Conventional Energy Generation Policy-2020 for power generation projects new and renewable (non-conventional) energy sources as follows: -

**Objective:**

- Considering the increasing demand for electricity in the state, there is a potential to increase the installed capacity by 17,360 KW in the next five years. There is a need to set up such environmentally friendly non-conventional energy generation projects.
- To help in increasing employment opportunities and investment through a policy that supports the investment made by the developer in the state while setting up such projects.
- To have a policy of the State Government to supplement the requirements of the Unconventional Energy Policy of the Central Government
- Establishment of projects subject to the provisions of various Acts of the State Government and mainly the Electricity Act 2003 and the rules under it; rules, regulations, codes etc. fixed by the Maharashtra Electricity Regulatory Commission and improvements thereto from time to time

**Duration of implementation of policy and transition period of previous policy**

- Shall be applicable from the date of publication of the policy till 31<sup>st</sup> March 2025.
- With this policy the integrated policy – 2015 on transmission allied electricity generation projects from New and Renewable Energy Sources of 20th July 2015 and Policy of 2016 dated

11 February 2016 towards non-transmission electricity generation projects from New and Renewable Energy Sources are being superseded.

- However, non-conventional energy projects for which registration letter has been issued during the policy period of 2015 and 2016, or within the next three months after the announcement of the policy, the project owner will be allowed to register projects under the respective 2015 and 2016 policy. The benefit of the incentives mentioned in the policy relating to such projects will be admissible if the project is implemented within one year from the date of promulgation of the new policy.

### **Licensing**

Registered companies, local / civic bodies, government bodies, partnership bodies, private individuals, semi-government bodies, co-operative societies, farmers' groups are allowed to set up projects as per this norm. Pursuant to this, a committee constituted under the chairmanship of Hon'ble Minister of Energy will select the company / institution which is allowed in the project where financial participation / grant is being given by the State Government, after evaluating their financial and technical capacity, the work of the project will be awarded. The selection criteria will be decided by the Maharashtra State Electricity Board. The members of this committee will be Principal Secretary, Department of Energy as well as Chairman and Managing Director of Mahagenco, Mahatransco and MSEDCL and Director General of MEDA shall be the convener of this committee.

### **General guidelines**

Until the objectives of this policy are met, the general guidelines will remain as follows:

- 1) Non-conventional energy projects will be developed following the guidelines of the Union Ministry of Energy, Ministry of New and Renewable Energy and various agencies under it and safeguarding the interests of the State.
- 2) Maharaja is being appointed as the steering agency for the implementation of this policy. All non-conventional energy generation projects will have to be registered with the Maharashtra Energy Development Authority. All transmission related projects will be implemented by MSEDCL and non-transmission projects will be implemented by Maharashtra Energy Development Authority.
- 3) Priority will be given to the development of hybrid projects by combining wind and / or solar projects with other conventional / non-conventional energy sources and incorporating storage capacity as required. Such projects will be categorized with those objectives according to their source.
- 4) In order to demonstrate the economic feasibility of a hybrid project with storage capacity, hybrid pilot projects for power generation through MEDA with the help of State Government / Central Government or from self-financing will be set up with government approval.
- 5) It will be mandatory to set up and implement the project within the stipulated time, otherwise the facilities in this policy will not be permissible. A committee constituted by the Department of Energy under the chairmanship of the Principal Secretary (Energy) shall have the power to extend the period of such projects up to two years in case the application is filed before the expiry of the prescribed period in case the project is not completed within the prescribed time

due to exceptional or emergency circumstances. However, this extension will not be extended beyond March 31, 2026.

- 6) Projects and Disposal Arrangements shall be subject to the provisions of the Electricity Act, 2003, Regulations, Orders, Interpretations, Government Orders, Regulations, Rules, Acts as well as the provisions prescribed by the State Government as enacted by the Maharashtra Electricity Regulatory Commission and applicable from time to time.
- 7) If any clarification is required about the contents of this policy or in the implementation of this policy, then the explanation given by the Department of Energy will be final and binding on all concerned.
- 8) Necessary procedures for setting up, implementing and effective implementation of projects under this policy will be issued separately by the Department of Energy thereafter.
- 9) A mid-term review of this policy will be conducted by the State Government as required. Also, appropriate changes will be made by taking into consideration the difficulties in the implementation of this policy, changes in the policy or technology of the Central Government and approval at the competent level.
- 10) This policy will be implemented literally and in principle by the Government of Maharashtra; However, failure to implement any part of this policy shall not be construed as a "change of law" for the purposes of legal agreements between the parties.
- 11) Non-conventional energy projects will be required to obtain a letter of consent from the Maharashtra Pollution Control Board as per the prevailing policy.

**The following facilities are available to facilitate the implementation of the policy and are conducive to investment are being made:**

- 1) Permits, approvals, consent etc. related to various administrative departments of the state government for non-conventional energy projects. Single window web system similar to the industry department's friendship plan for matters will be developed by MahaUrja. Registration will be issued automatically and immediately by MahaUrja after the project owner completes the required prescribed documents and uploads the documents on this web portal and assumes full responsibility for the accuracy and statutory fulfillment of the documents by self-declaration.
- 2) Short-term submerged land in reservoirs, seepage ponds, small irrigation ponds in Maharashtra will be used for feasibility study for setting up unconventional energy projects.
- 3) Under this policy, project owners who want to invest in projects worth Rs. 1500 Cr or more; MahaUrja shall make available Such an 'Assistance Officer' who will assist the Project Holder in obtaining approval without any hindrance. It will also coordinate with the concerned agencies regarding the problems faced by the government agencies in setting up the project.
- 4) In order to overcome the difficulties in the implementation of this policy, the progress of the projects sanctioned under this policy will be reviewed by MahaEnergy every month. Also, with a view to the completion of the project within the stipulated time, MEDA shall submit its report to the Department of Energy by the 10th of the next month.
- 5) Meetings of all registered project holders will be held at least once in three months or more times as required by MahaEnergy to resolve and assist in the implementation of the project.

The government will take feedback from the project owners where necessary and send recommendations for their suitability and policy in accordance with the policy.

- 6) A steering committee of representatives of the concerned departments will be constituted under the chairmanship of the Energy Secretary to resolve the issues of the project holders. Project owners of non-conventional energy sources with a capacity of more than 25 MW will contact the steering committee as required to resolve their issues.
- 7) Appropriate changes will be made in the existing policy and procedures to make the grid connectivity required for the project be available immediately as per the demand based on the progress of the project. Grid connectivity without prejudice will be treated as a "right" till the objectives are met. MSEDCL, Mahatransco Company and State Transmission Undertaking (511) will look into the technical feasibility of providing grid connectivity from a location close to the grid distribution network. The basic infrastructure required for this will be developed by the project developer or the concerned organization under the prevailing policies, rules and regulations.

**Land Availability Policy: -**

The following policy will be followed regarding availability of government land for non-conventional energy projects: -

In general, there will be three types of government land: -

Type 1: - Various Institutions of State Government, Companies, Corporations, Public Undertakings, Administrative Departments, Civil and Local Self Government Institutions, Universities etc. Lands owned by (excluding and owned and/or in possession of the Revenue Department) and leased by the Revenue Department.

Type 2: - Land owned and occupied by Revenue Department.

Types 3: - Lands owned or in possession of the private Central Government, Central Institutions / Corporations / Public Undertakings, Ordnance Factories, Defense etc.

Type 1: -

- A) MSEDCL / Mahanirmiti / Mahaurja will enter into agreements with the institutions under whose jurisdiction the land concerned is concerned for setting up unconventional energy projects on the first type of land. In concluding such an agreement, the premises may be made available on lease, lease agreement or on the basis of revenue sharing on the option agreed upon by both the parties. Lands which have been provided by the Government on non-transferable and non-transferable terms of use may be made available at the competent level with prior permission. Other conditions e.g. lease period, lease rate, etc. These matters will continue to apply. Apart from the lands which are allowed to be leased out by leasing the land, space can also be made available by constructing a special purpose vehicle (524). In order to use such lands for non-conventional energy projects, permission will first be sought at the competent level through the land authority to change the purpose of the said lands. Regarding the land of local bodies, the land required for the project can be made available at Gram Panchayat level if it is up to 15 acres, Panchayat Samiti for 15-25 acres and at Zilla Parishad