

TELANGANA SOLAR POWER POLICY 2015

GLOSSARY

COD	Commercial Operations Date
CII	Confederation of Indian Industry
GoTS	Government of the State of Telangana
GoI	Government of India
MNRE	Ministry of New and Renewable Energy
MoP	Ministry of Power
NCE	Non-Conventional Energy
NOC	No-Objection Certificate
NSM	National Solar Mission
PCB	Pollution Control Board
PPA	Power Purchase Agreement
PV	Photo Voltaic
R&D	Research & Development
REC	Renewable Energy Certificate
RPPO	Renewable Power Purchase Obligation
RLDC	Regional Load Dispatch Centre
SGST	State Goods Service Tax
SLDC	State Load Dispatch Centre
SPC	Solar Policy Cell
SPP	Solar Power Project
SPV	Special Purpose Vehicle
SRP	Solar Rooftop Project
Scheduled Consumers	As defined in Regulation 2 of 2006
TNREDCL	Telangana New and Renewable Energy Development Corporation Limited
TSDISCOMS/ DISCOMS	Distribution Companies of the state of Telangana
TSNPDCL	Telangana State Northern Power Distribution Company Limited
TSSPDCL	Telangana State Southern power Distribution Company Limited
TSTRANSCO	Telangana State Transmission Corporation
TSERC	Telangana State Electricity Regulatory Commission

1.PREAMBLE

In the last decade, due to increasing thrust of Governments across the world towards fuel conservation and clean energy, solar power capacity has increased by over 45 times and stands at about 184 GW in 2014. In India, capacity additions in solar power have been even more remarkable. In contrast to mere 10 MW in 2010, total solar capacity in India has grown to nearly 3000 MW in 2015.

Growth rate in solar capacity has been accompanied by rapidly declining cost curves. Solar system costs have come down by nearly 70% in the past five years owing to technological advancements resulting in lower manufacturing and processing costs. In India, solar power prices discovered through competitive bidding have come down by more than 50% in the last four years.

Across the globe, about 7,200 gigawatts (GW) of capacity needs to be built to keep pace with increasing electricity demand while also replacing existing power plants due to retire by 2040. The strong growth of renewables in many countries raises their share in global power generation to one-third by 2040.

Government of India (GoI) has set for itself an ambitious target of increasing solar capacity to 100 GW by 2022 and 200 GW by 2050. In order to achieve these targets, GoI is implementing a wide range of regulatory and policy interventions. It is estimated that utility-scale grid parity is expected to be achieved faster than originally estimated and solar power will start aggressively competing with conventional power by 2017

Telangana has a vast solar potential with average solar insolation of nearly 5.5 kWh/m² for more 300 sunshine days. Government of Telangana (GoTS), intends to make use of the positive environment in solar market and push given by GoI for substantially harnessing the solar potential in the state of Telangana.

This policy of GoTS on solar has provisions which aims at creating an enabling environment for prospective solar power developers to harness substantial quantum of solar power in the best possible manner. This in turn is expected to meet the objective of GoTS to provide competitive, reliable power supply to its consumers and also to ensure a sustainable fuel mix in the long run.

2. TITLE

The policy shall be known as “The Telangana Solar Power Policy 2015”.

3. OBJECTIVES:

This solar policy has the following specific objectives:

1. Realize and harness the vast solar power potential of the State.
2. Contribute to long-term energy security of the state and promote a sustainable fuel mix in generation through higher contribution of solar energy.
3. To promote solar parks
4. To promote public as well as private investment in solar power generation
5. To promote decentralized and distributed generation
6. To promote grid connected and off-grid solar applications and effective energy conservation measures.
7. To promote all technologies of harnessing solar energy.

4. OPERATIVE PERIOD

This policy shall come into operation with effect from the date of issue and shall remain applicable for a period of five (5) years. All Solar Projects that are commissioned during the operative period shall be eligible for the incentives declared under this policy, for a period of ten (10) years from the date of commissioning - unless otherwise the period is specifically mentioned

5. APPLICABILITY OF THE POLICY

This solar policy shall be applicable for the following solar projects set up within the state-

- 1) Solar Power Projects (SPPs)
 - a) Grid connected solar power projects based on both Photo Voltaic (PV) as well as Solar Thermal technologies
 - Projects set up for sale of power to TSDISCOMS
 - Projects set up for sale of power to third parties within the state
 - b) Projects set-up for captive generation/ group captive generation (including those funded and owned by developers).

- 2) Solar Roof-top Projects (SRPs) (Grid connected and off grid) – This includes projects which are funded and owned by developers
- 3) Off grid applications
- 4) Any other project which is established based on MNRE/GOI Schemes as amended from time to time.
- 5) Solar parks

For availing benefits under this policy, power generated from any of the above modes, has to be consumed within the state.

Demand-side management through energy conservation is integral to energy security. Hence, this policy aims not only at promoting grid connected projects but also promoting off-grid solar projects/applications.

6. REGULATORY FRAMEWORK

The Electricity Act 2003, as amended from time to time, mandates the State Electricity Regulatory Commission, to set tariffs for renewable energy as well as to issue regulations pertaining to renewable power purchase obligation (RPPO), and set charges for wheeling, transmission and distribution of electricity.

7. SOLAR PARKS

The solar park is a concentrated zone of development of solar power projects, which provides developers, an area that is well characterized, properly infra-structured and where the risk of the projects can be minimized as well as the facilitation of the permitting process.

Solar park implementing agency would be formed by State Government along with designated central agency and private sector participation or independently by private sector.

The Solar park implementing agency will help facilitate in development of supporting infrastructure and facilities including power evacuation, water arrangements, internal roads and administrative facilities.

These Solar Park(s) will host an array of players in the solar power sector including solar power plants, component manufacturers, R &D centres, training centres, and financial institutions. The State will extend all facilities and fiscal incentives provided by Central Government/ National Solar Mission to the manufacturers and other participants in Solar Parks.