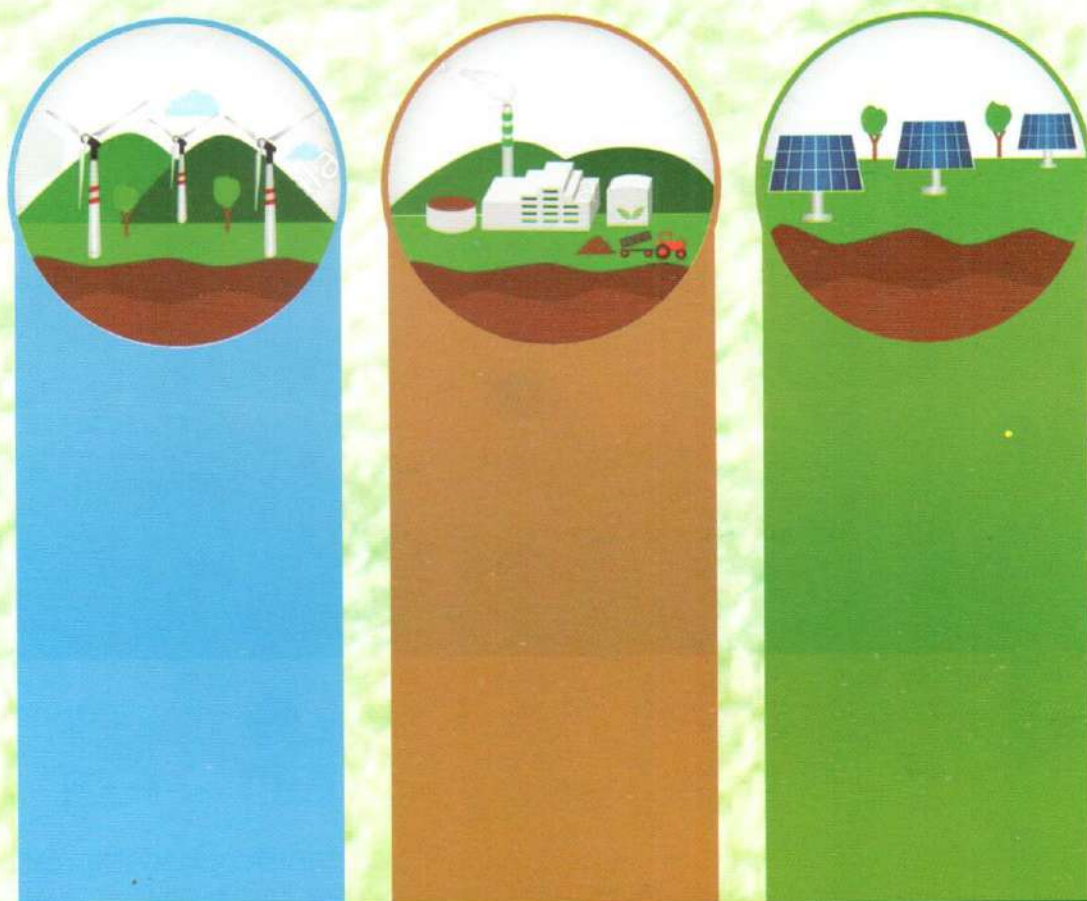


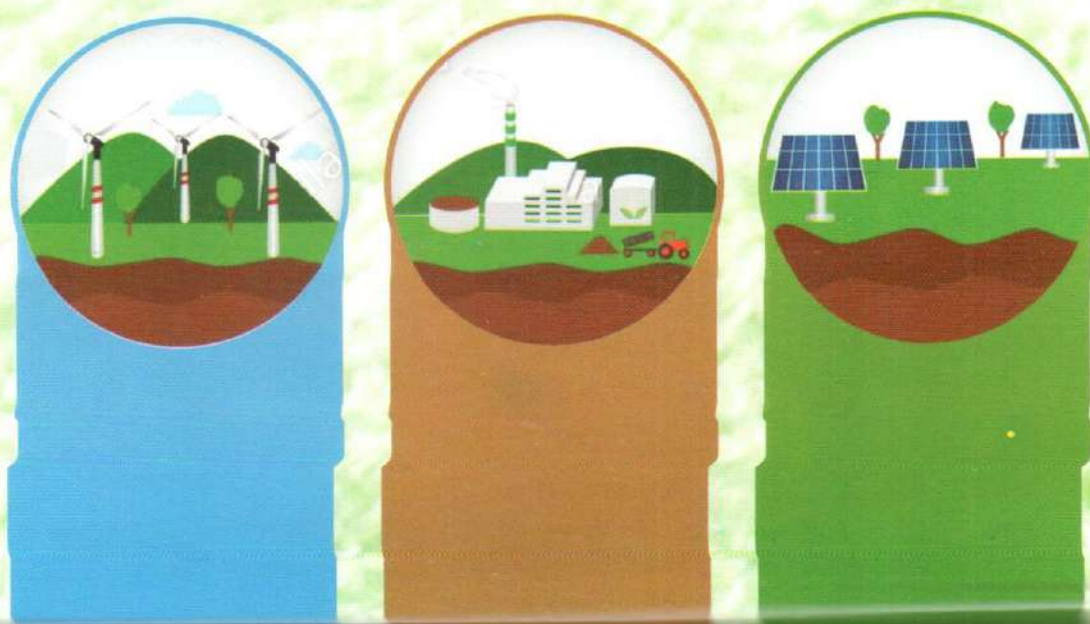
Bihar Policy for Promotion of Bihar New and Renewable Energy Sources 2017



Energy Department, Government of Bihar



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ABBREVIATIONS

ABT	: Availability Based Tariff
BIADA	: Bihar Industrial Area Development Authority
BREDA	: Bihar Renewable Energy Development Agency
BSHPCL	: Bihar State Hydroelectric Power Corporation Limited
BSPHCL	: Bihar State Power Holding Company Limited
BOOM	: Build. Own, Operate & Maintain
CEA	: Central Electricity Authority
BERC	: Bihar Electricity Regulatory Commission
DPR	: Detailed Project Report
DISCOM	: Distribution Company
EPC	: Engineering, Procurement, and Construction
ESCO	: Energy Service Company
FiT	: Feed in Tariff
FY	: Financial Year
GoI	: Government of India
GSS	: Grid Sub-Station
GST	: Goods & Service Tax
GW	: Giga Watt
JNNSM	: Jawaharlal Nehru National Solar Mission
JV	: Joint Venture
KW	: Kilo Watt
MNRE	: Ministry of New and Renewable Energy, GOI
MW	: Mega Watt
NBPDCL	: North Bihar Power Distribution Company Limited
NGO	: Non-Government Organization
NTPC	: National Thermal Power Corporation
NVVN	: NTPC Vidyut Vyapar Nigam
PLF	: Plant Load Factor
PPA	: Power Purchase Agreement
PSS	: Power Sub-Station
PV	: Photo Voltaic
REC	: Renewable Energy Certificate
RPO	: Renewable Purchase Obligation
SBPDCL	: South Bihar Power Distribution Company Limited
SECI	: Solar Energy Corporation of India
SERC	: State Electricity Regulatory Commission
SHP	: Small Hydro Project
SPV	: Special Purpose Vehicle
SIPB	: State Investment Promotion Board
SNA	: State Nodal Agency
VGF	: Viability Gap Funding

Government of Bihar, Energy Department Resolution

Letter No Pra02/BREDA/Apra Niti-11/08

Patna, Dated

1. Preamble

Renewable Energy including solar, wind, biomass, etc. are not just different sources of energy, but more importantly, tools to address several pressing needs such as improving energy security and access; reducing the health and environmental impacts associated with fossil fuels; and mitigating greenhouse gas emissions. Government of India has committed for the renewable sources to cover 40% of country's power generation by the year 2030. Such a feat implies that the country will require to achieve an installed RE capacity of 175GW by the year 2022. This includes 100 GW of solar power, 60 GW of wind power, 15 GW of biomass and the rest covered by hydro power.

To ensure that this target is achieved in due time, it is imperative for all the states in India to actively participate in deploying renewable energy sources and become self-sustainable in terms of their energy demand.

Bihar is one of the fastest growing states in India. The rapid economic growth and infra structural development in the state needs to be supported by a proportionate growth in electricity generation. The current installed power capacity in Bihar stands at 2984.79 MW (Mar 2016), with coal contributing to almost 92% of the installed power capacity. With its large population and rapidly growing economy, Bihar needs access to clean, cheap and reliable sources of energy. Giving the due cognizance to the issue at hand, state government has targeted to provide 24 hours electricity connections to all rural and urban households by 2018-19. Attaining such an ambitious target will require a complete transformation of power sector scenario in Bihar including the tapping of a huge renewable energy potential.

Besides addressing energy demand and access issues, the renewable energy industry will also attract foreign investments which will create several job opportunities in Bihar. The renewable energy industry provides both one-time job opportunity which is during the pre-commissioning/construction phase, and also permanent operations and maintenance positions that sustain over the life of the projects. Investments in renewable energy deployment as well as manufacturing of renewable products will help create direct and indirect employment opportunities in both skilled and unskilled sector.

Government of Bihar had issued the Bihar Policy for promotion of New and Renewable Energy Sources 2011, vide Letter No.PRA-02/BREDA-APRA NITI-11/08/2845 Dt.24/06/2011. Post completion of the operative period of previous policy and recognizing the true potential of renewable energy in meeting the energy demand, providing access to energy and creating many local jobs, a revised 'Policy for Promotion of New and Renewable Energy Sources, 2017' has been in alignment to central and state government's targets.



2. Legislative Framework of the Policy

The provision of Electricity Act, 2003 mandates the Central and State Government to take necessary steps for promotion of renewable energy in the country including policy framework design. Accordingly, the Government of Bihar is exercising its power of promoting Renewable Energy in the state through this Renewable Energy Policy.

This policy supersedes the previous policy i.e. "Bihar Policy for promotion of New and Renewable Energy Sources 2011", issued in 2011 vide Letter No.PRA-02/BREDA-APRA NITI-11/08/2845 Dt.24/06/2011.

3. Operative Period

The policy shall remain in operation for a period of 5 years from the date of the notification or till the State Government notifies the new policy. The Policy will be evaluated for impact assessment at least once during this policy period. The review will ensure inclusion of any new renewable technology that may evolve over the next few years. The second evaluation will be undertaken during FY 2022 with an objective of conducting a decision making assessment over policy continuation or extension. For giving effect to this policy, necessary amendments in various policies, rules & regulations, wherever necessary, shall be expeditiously undertaken by the concerned departments.

4. Nodal agency

Bihar Renewable Energy Development Agency (BREDA) will be the key agency for all renewable projects, except for small/ micro/ mini hydro projects, for which Bihar State Hydroelectric Power Corporation Limited (BSHPCL) shall be the nodal agency. The Energy Department, Government of Bihar, has the authority to nominate the nodal agency/implementing agency for different sub-sectors concerned with solar energy.

5. Policy Objectives

- (a) To target installed capacity of 2969 MW solar, 244 MW Biomass & Bagasse cogeneration and 220 MW small hydro power by 2022 in the state with an objective to meet the growing demand for power in an environmentally sustainable manner
- (b) To attract private sector participation including foreign players in solar energy sector by providing conducive environment for setting up grid connection as well as decentralized renewable energy projects
- (c) To provide decentralized renewable energy for agriculture, industry, commercial and household sector particularly in rural areas thereby improving the quality of power
- (d) To support R&D, demonstration and commercialization of new and emerging technologies/applications

