

All identified projects will ordinarily be awarded through International/National Competitive Bidding mechanism.

The State Government may also award any identified projects to SPSUs or CPSUs or any JVs thereof, through MoU route. Procurement of power by GRIDCO/DISCOMS from such projects shall be guided by the prevailing Regulations.

GRIDCO/DISCOMS may invite bids for procurement of power from projects to be set up in the state through tariff based competitive bidding. Where generic tariff is notified by OERC, GRIDCO/DISCOMS can procure power from projects set up in the state at such generic tariff.

## 9. Project Allotment/Selection of Developers

### **Award of identified projects**

Identified projects can be awarded for any of the following purpose generally:

1. Procurement of power by GRIDCO/DISCOMS:
  - a. Allocation of project to SPSU or CPSU or JVs- thereof where procurement of power including tariff shall be guided by prevailing Regulations
  - b. Awarded to private sector / CPSUs / SPSUs through competitive bidding
2. Captive consumption / Sale of power to third parties / OA consumers / Exchange sale / sale to DISCOMS outside State:
  - a. Awarded to private sector / CPSUs / SPSUs through competitive bidding.
  - b. Allocated to CPSUs/SPSUs/JV thereof

The State Government may award any identified projects to SPSUs/CPSUs or JV of SPSUs and CPSUs through an MoU for any purpose including sale of power to third parties. Many CPSUs have shown their interest to form JV with SPSUs for large hydro, PSH & floating solar projects. When more than one CPSU is interested in any



particular project, the CPSU offering the highest equity participation to the SPSU, shall be selected as the JV partner.

GRIDCO has contracted RE capacity of 2,420 MW including 1,941 MW from solar sources till 31.10.2022 out of which only 460 MW is within the State. Hence, it is incumbent upon GRIDCO to take proactive measures for development of RE potential in the State. For this purpose, it shall invite tenders for procurement of power from projects to be set up in the state at a tariff discovered through competitive bidding.

The Nodal Agency shall prepare the list of identified sites which can be awarded to private sector / CPSUs / SPSUs through competitive bidding for the purpose of Captive consumption / Sale of power to third parties / OA consumers / Exchange sale / sale to DISCOMS outside State. The Nodal Agency or any bid process coordinator notified by Nodal Agency shall initiate competitive bidding process through issuance of RFP to seek potential bidders. Interested Bidders should submit applications before the Nodal Agency or any bid process coordinator notified by Nodal Agency, accompanied with other required documents as mentioned in the RfQ/RFP. Eligible bidders will be technically and financially evaluated, and projects will be allotted to the bidders making the highest or lowest bids or such criteria as may be mentioned in the RfQ/RFP.

As part of the competitive bidding mechanism, the Nodal Agency may define pre-qualification criteria on a project-to-project basis including but not limited to a) past experience with development, construction and operations of similar projects and b) financial capacity to mobilize required resources for development of the projects.

Bidding parameters for selection of developer through competitive bidding for each specific RE technology is mentioned in the respective chapters of this Policy.

Wherever, award of a project / site is through a competitive bid process, the bidding criteria for the competitive bid process is mentioned separately for each of the specific RE technologies under Section-C.



## 10. Exemptions and Incentives

India has an installed generation capacity of 404 GW (July 2022), of which 168 GW (41.6%) is from non-fossil fuels. The total share of renewable energy (including hydro) was about 22% in overall energy mix for the country in FY 2021-22. Renewables (especially wind and solar) have been growing very strongly in recent years (39 GW in 2015 to 110 GW by 2022). However, most of that development has happened in only 7-8 RE resource rich states. The policy of waiver of ISTS charges has created market distortion and discouraged development of RE projects in Odisha. The Government of India has decided to phase out the waiver of ISTS charges in the following manner:

| Period of Commissioning  | Applicable ISTS charges         |
|--------------------------|---------------------------------|
| Up to 30/06/2025         | Nil                             |
| 01/07/2025 to 30/06/2026 | 25% of applicable ISTS charges  |
| 01/07/2026 to 30/06/2027 | 50% of applicable ISTS charges  |
| 01/07/2027 to 30/06/2028 | 75% of applicable ISTS charges  |
| 01/07/2028 onwards       | 100% of applicable ISTS charges |

Hence, the State Government shall extend the following incentives to promote development of RE projects in the State:

1. Exemption of fifty (50) paisa per unit on Electricity Duty shall be provided to captive / open access consumers on consumption of energy from RE projects set up inside the State during the policy period. Such ED exemption shall be available for consumption of energy from the project for a period of fifteen (15) years from the date of commissioning of the project. In case a project is commissioned before 30/06/2026, the exemption shall be extended for five (5) more years, i.e., twenty (20) years in total.
2. Energy Storage Projects based on any technology shall be exempted from payment of Electricity Duty on input energy at the rate of fifty (50) paisa per unit for a period of fifteen (15) years from the date of COD, provided such energy is sourced from RE projects in Odisha.
3. Fifty percent (50%) exemption of Cross-Subsidy Surcharge shall be provided to open access consumers, on consumption of energy from RE projects



commissioned in the State during the Policy period for fifteen (15) years. The OERC shall issue necessary orders in this regard.

4. Exemption of twenty (20) paisa per unit on STU charges shall be provided to captive / open access consumers on consumption of energy from RE projects commissioned in the State during the Policy period for fifteen (15) years. In case a project is commissioned before 31.03.2026, the exemption shall be extended for five (5) more years, i.e., twenty (20) years in total. The OERC shall issue necessary orders in this regard.
5. Twenty-five percent (25%) exemption of wheeling charges shall be provided to captive / open access consumers on consumption of energy from RE projects commissioned in the state during the Policy period for fifteen (15) years. The OERC shall issue necessary orders in this regard.
6. Stamp duty on purchase/lease of land, land conversion charges and registration charges shall not be applicable for RE projects. The Revenue and Disaster Management Department shall issue necessary notifications in this regard.
7. Project developer is permitted to connect the RE project with State Transmission Utility (STU), subject to the evacuation feasibility. Grant of connectivity approval from OPTCL will be provided preferably within 15 days from the date of receipt of requisite documents for registration.
8. No clearance from State Pollution Control Board, Odisha would be required for RE projects except for Hydro, PSH, biomass and waste to energy projects.

## 11. Land

Government land earmarked for industry under the "Land Bank" scheme of IDCO and other Government land, wherever available, shall be allotted for the RE projects on priority at the rates specified in the IPR.

However, projects with an operational life of 25-30 years shall also be allotted Government land on lease basis at an annual lease rent of 2% of the prevailing IPR rate. The duration of lease shall coincide with the duration of PPA/life of the project



and some additional time allotted for development, construction and decommissioning of the project as applicable i.e., for a duration of 30-35 years.

The Nodal Agency shall work in coordination with the District Collectors/IDCO to identify land parcels suitable for RE project development.

In case the land is to be purchased / taken on lease from a private landowner, the developer will acquire the land directly from the landowner by adequately compensating the landowner. The Collectors shall facilitate purchase/lease of private land for the purpose of developing RE projects. The SWC, in consultation with the Department of Revenue & Disaster Management, may notify the minimum lease rental at which private land can be taken on lease by the RE developers. The Nodal Agency may also float an 'Expression of Interest (Eol)' for aggregation of private land to facilitate development of RE projects.

The land used for development of grid connected RE projects shall be deemed to be converted for Non-Agricultural use. No charges as per Land Reforms Act (1960) of Odisha shall be applicable for such deemed conversion.

Exemption from ceiling on land holdings as per the Land Reforms Act (1960) of Odisha and its amendments shall be applicable for RE projects. The Nodal Agency shall facilitate clearance to this effect for RE project developers from the competent authority.

## **Section C: Policy Measures for specific technologies**

All the technology-agnostic Policy measures mentioned in Section-B shall be applicable to all the RE technologies over and above the technology-specific Policy measures mentioned in this section.

### **12. Large Hydro**

#### **12.1 Introduction**

Odisha has an estimated 3,314 MW Large Hydro potential. Odisha currently has 2099.80 MW of large hydro plants in operation – 6 plants under operation by OHPC