

## Frame Work for Power Co-Generation 2013 (Bagasse / Biomass)

The Economic Coordination Committee of the Cabinet (ECC) in its meeting held on 6 March 2013, approved 'Framework for Power Cogeneration 2013 Bagasse and Biomass' as an addendum to the Renewable Energy Policy 2006. This framework shall be effective for all high-pressure cogeneration projects utilizing bagasse and biomass.

The ECC also approved the following: -

- i. The scope of the Renewable Energy Policy 2006 shall include Bagasse / biomass / Waste-to-Energy, Bioenergy.
- ii. The Renewable Energy Policy 2006 to be extended and continued for an additional five years w.e.f 06 March 2013.

### **Frame Work for Power Co-Generation 2013 (Bagasse / Biomass)**

- a. The Power Producer shall, under the provisions of the AEDB Act 2010, Renewable Energy Policy 2006 & this framework approach AEDB. AEDB shall act as the coordinating agency for high-pressure (minimum 60 bar) bagasse / biomass-based projects. The Power Producer may establish the project as part of an existing sugar mill or as a separate entity.
- b. Upfront tariff for bagasse / biomass-based cogeneration projects to be determined by NEPRA.
- c. Tariff shall be on a per unit basis for energy delivered to the grid
- d. The Power Producer shall have the option to opt for Upfront tariff.
- e. Power Producers shall have the option to offer energy to the respective DISCOs at 11 kv or 132 kv, or to the CPPA at 132 kV, provided that the cost of interconnection, grid station upgrades, etc. for power evacuation shall be incurred by the respective DISCOs.
- f. It shall be mandatory for the Power Purchaser to evacuate all the energy offered to it by the Power Producer, failing which such plants shall be deemed to have dispatched and sold the energy to the Power Purchaser. The CPPA shall bill the payment against such unevacuated energy to the DISCO concerned. However, no liability shall occur to the CPPA / DISCO in case of a Force Majeure event.
- g. Standard bankable EPA & IA documents will be prepared and provided to the Power Producer by AEDB.
- h. AEDB shall issue Letter of Intent (LOI) on the basis of standard proposal submitted by the project proponent. There shall be no requirement for a feasibility or firm costs in case of upfront tariff. The Power Producer shall approach NEPRA for issuance of Generation License after issuance of the LOI.
- i. Power Producers will be required to submit Grid Interconnection Studies & Initial Environmental Examination Reports to relevant agencies / departments. (Copies of the reports and approvals to be provided to AEDB).
- j. AEDB shall issue LOS upon the Power Producer's acceptance of the tariff determined by NEPRA.
- k. All financial and fiscal incentives available to renewable energy projects as per clause 8.6 of Renewable Energy Policy of 2006 (which are deemed to form part

hereof) shall be applicable to all the power projects implemented in terms hereof and shall be notified under relevant laws accordingly. For this purpose, power generation units of sugar mills shall be considered a separate entity. Clause 8.6.1 (ii) of the Renewable Energy Policy 2006 shall be applicable only to units of electricity sold to the grid.

- i. This framework shall be applicable to all bagasse / biomass based projects commissioned after January 2013.
- m. Wheeling shall be an option for Power Producers as allowed in the Renewable Energy Policy of 2006.
- n. Following timeline shall be followed for this policy

S.No	Activity	Maximum Time
1	Power Producers to submit request for Letter of Intent (LOI) with Standard proposal document and bank guarantee to AEDB	
2	Issuance of Standard LOI by AEDB	i) 7 Days for sugar mills ii) 30 Days for other entities as per procedure described in Renewable Energy Policy 2006.
3	Generation License to be issued by NEPRA.	10 Days
4	Acceptance of Upfront tariff to the project	10 Days
5	NTDC to approve Grid Interconnection study.	30 Days after submission of Grid Interconnection Study to the relevant agency by the Power Producer.
6	Issuance of LOS by AEDB upon submission of Performance Guarantee by Power Producer.	15 Days
7	Energy Purchase Agreement Finalization.	30 Days
8	Signing of Implementation Agreement	15 Days