

**Government of Haryana**  
**New & Renewable Energy Department**  
**Directions Under Section 108, Sub Section (1) of the Electricity Act 2003**

No. 1253...

Dated 18/7/2017

**Background:**

The Electricity Act 2003 mandates:

“An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein protecting interest of consumers and supply of electricity to all areas, rationalization of electricity traffic, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of Central Electricity Authority, Regularly Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto”.

The Electricity Act 2003 envisages the most efficient and economical development and operations of the Electricity Industry so as to benefit the end consumer. The Act also mandated creation of State Regularly Commissions to oversee and regulate all the operations pertaining to electricity in the State with the ultimate aim of benefiting the consumers.

Also as per the notification dated 3.8.2016, issued by Haryana Government, General Administration Department, New & Renewable Energy Department has to implement various relevant clauses concerning promotion, generation of power from new & renewable sources of energy of the Electricity Act 2003 (No.36 of 2003).

The Government of India sets an ambitious target of addition of 1.00 Lac MW of solar Power in the Country by the year 2021-22. The Ministry of New & Renewable Energy, Govt. of India has raised the Solar Renewable Purchase Obligation (RPO) targets for the obligated entities (including distribution companies) to 8% from the current level of 3% of power consumption. This target will translate to installed 4030 MW capacity solar power plants including 1600 MW rooftop Solar power projects by the year 2021-22 for Haryana State.

Haryana has stepped forward in this regard and Haryana has notified “Haryana Solar Power Policy-2016” vide Notification No. 19/4/2016-5Power dated 14.3.2016 with the objective of setting up a high trajectory of growth in this sector and to achieve the set out goals in a defined time frame. Under this Policy, various incentives have been provided for promotion of Solar Power Projects in the State of Haryana.



The Section 108, Sub Section (1) of the Electricity Act 2003 (No. 36 of 2003), reads as under:

***"SECTION 108- Directions by State Government:***

- (1) In the discharge of its functions, the State Commission shall be guided by such directions in the matter of policy involving public interest as the State Govt. may give it in writing.*
- (2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the State Govt. thereon shall be final."*

Thus, State Government has powers to issue direction to the State Commission in case of matters pertaining to policy involving Public Interest. Moreover, if any question arises whether any such direction relates to a matter of policy involving public interest, the State Government's decision thereon shall be final.

Therefore, under the powers conferred under Section 108, Sub Section (1) of the Electricity Act 2003 (No. 36 of 2003), the Haryana Government hereby issues directives as under:-

- HPPC will purchase solar power over and above the RPO obligation subject to a limit of 200 MW (Clause No. 2.3 of Haryana Solar Power Policy 2016).
- A price preference of 2% will be given to the solar power generators of 1 MW to 2 MW capacity who set up their plants in the territory of Haryana State as compared with the solar power plants who supply power from the plants located outside the territory of Haryana (Clause No. 2.4 of Haryana Solar Power Policy 2016).
- Some percentage capacity (to be fixed from time to time) of the setting up of ground mounted mega watt scale grid connected power plants, to meet the solar RPO shall be developed by setting up of grid connected rooftop solar power plants. For that the offers shall be invited by Renewable Energy Department, Haryana/HAREDA from the independent power producers for development of grid connected rooftop solar power plants, of capacity ranging from 250 kWp to 1 MW, on a cluster of public private buildings on the last lowest tariff discovered and conveyed by HPPC. The entire power produced by power producers who set up plants within four years from the date of notification of this policy shall be purchased by the HPPC or any entity of Haryana Govt. Alternatively, the developer can also supply/provide the power for the captive use of the premises where the system is installed along with net meter and can sell the remaining power to HPPC or any entity of Haryana Govt. on the last lowest tariff discovered and conveyed by HPPC or to third party as per HERC regulations (Clause No. 3.2 of Haryana Solar Power Policy 2016).
- All wheeling charges, cross subsidy charges, transmission & distribution charges and surcharges will be totally waived off for ground mounted and rooftop power projects



(Clause No. 4.3 of Haryana Solar Power Policy 2016).

- Price preference will be given to the IPPs who set up the solar power plants in the State (Clause No. 4.5 of Haryana Solar Power Policy 2016).
- Haryana Vidyut Parasaran Nigam Ltd (HVPNL)/ Dakshin Haryana Bijli Vitran Nigam Ltd.(DHBVN)/ Uttar Haryana Bijli Vitran Nigam Ltd.(UHBVN)/ licensee shall permit solar power generated by eligible producers to be banked. The banking facility shall be allowed for a period of one year by the Licensee/Utilities and IPP will pay the difference of Unscheduled Interchange charges (UI charges) at the time of injection and at the time of withdrawal. However, withdrawal of banked power should not be allowed during peak and Time of Day (TOD) hours. If the banked energy is not utilized within a period of twelve months from the date of power banked with the concerned power utilities/licensee, it will automatically lapse and no charges shall be paid in lieu of such power.

The banking facility shall be allowed for the grid connected rooftop solar power projects on the same pattern as per MW scale projects (Clause No.4.6 of Haryana Solar Power Policy 2016).

- The rooftop space available in the Govt. organizations/institutions/buildings or vacant land of the same can also be provide on lease rent to the independent power producers/RESCO developers for setting up of solar power projects.  
(Clause No.5.3 of Haryana Solar Power Policy 2016).
- The surplus power generated from the solar pump sets shall be bought by the HPPC at APPC rate of the year. The solar energy thus generated and exported shall also be credited towards meeting of the RPO of DISCOM (Clause No. 5.4 of Haryana Solar Power Policy 2016).

These orders have been issued with the approval of Chief Minister, Haryana.



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