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INR 4.75/kWh in case of projects utilizing accelerated depreciation, for onward sale to state or distribution utilities at INR 5.50/kWh. The solar project is entitled to receive viability funding support in an amount determined through a competitive bidding process. Such payment is made to the solar energy project over a five-year period from the date such solar plant commences operations and is funded by India's National Clean Energy Fund. The National Clean Energy Fund is financed through a tax of INR 100 per ton of domestic or imported coal used in India.

Various Indian states have implemented policies to promote the generation of solar power. For instance, the State of Gujarat exempts solar project developers from payment of electricity duty on the sale of electricity and payment of cross subsidy surcharges for sale to open access consumers. The State of Rajasthan also exempts the energy consumed by the solar project developer for own use from payment of the electricity duty.

*Wind power projects*

MNRE provides a generation based incentive implemented through the Indian Renewable Energy Development Agency Limited for grid connected wind power projects (excluding projects undertaking third-party sales) commissioned on or after April 1, 2012. This incentive is currently available until the end of the 12th plan period (2012—2017). Generation based incentives are limited to INR 0.50/kWh of electricity fed into the grid and are available for a maximum period of 10 years with a cap of INR 10 million per MW. The total disbursement in a year to eligible wind power producers cannot exceed one-fourth of the maximum limit of the incentive, i.e., INR 2.5 million per MW during the first four years. Generation based incentives are in addition to the tariff approved by SERCs and available only if the benefit of accelerated depreciation is not utilized by the wind power project.

In addition, state specific policies also provide for various incentives, such as exemption in payment of electricity duty, reduction of VAT, providing land at concessional lease rentals, and reduced wheeling and transmission charges. Additionally, an excise duty exemption is also available on wind operated electricity generators and concessional custom duty is applicable on import of specified components of wind turbines, subject to fulfillment of prescribed conditions.

*All renewable energy projects*

India's National Tariff Policy 2006 requires the SERCs to fix a minimum percentage of the electricity that must be purchased by utilities operating in their jurisdiction from renewable energy generators (such as solar projects), taking into account availability of such resources in the region and its impact on retail tariffs and procurement by distribution companies at preferential tariffs. This obligation to purchase electricity from renewable sources is known as a renewable purchase obligation, or "RPO." This policy was amended in January 2011 to prescribe a minimum solar specific RPO of 0.25% in 2012 to be increased to 3% by 2022. States such as Gujarat, Chattisgarh, Haryana, Madhya Pradesh, Bihar and Goa have fixed solar power RPO requirements at levels above the minimum level prescribed by the National Tariff Policy 2006. The RPO percentage for wind power projects varies from approximately 0.5% to 11.0%, depending on the local renewable resources and the electricity distributed in those states.

In 2010, the CERC implemented regulations designed to facilitate the development of a power market from nonconventional energy sources by issuing transferable and saleable credit certificates. These regulations facilitate fungibility and inter-state transactions of renewable energy by establishing a mechanism through which a market-based instrument can be traded freely and provide a means for fulfillment of renewable purchase obligations by India's utilities and open access consumers. Although these regulations established the necessary framework, the market for such renewable energy credits has not developed widely and is not liquid. None of our Indian projects is participating in the renewable energy credit certificate programs at this time.