

**Policy/Incentives declared by the State Governments for private sector  
wind power projects.**

(New projects commissioned after 1/4/2003 are categorised under Group-III as per  
MERC order dtd.24/11/2003)

Sr. No.	Items	Policy
1.	Wheeling	Pending determination of wheeling charges by MERC, <b>wheeling charges would be levied @ 2% of Energy Wheeled.</b>
2.	T & D Losses	The commission has decided to conduct a study to determine the T & D loss at local level. Based on the result of the study T & D loss changes to be levied on Energy supplied by wind power projects shall be determined by the commission. <b>Till then uniform losses at the rate of 5% shall be applicable.</b>
3.	Banking	Banking of Energy delivered to the grid for self use and/or sale to third party shall be allowed any time of the day and night and subject to the condition that surplus energy (Energy delivered into the grid but not consumed) at the end of financial year shall not be carried over to the next year. Surplus energy at the end of the year limited to 10% of net energy delivered by the developer to the grid during the year shall be purchased by the utility at the lowest TOD slab rate for H.T. energy tariff applicable on the 31 <sup>st</sup> March of the financial year in which the power was generated.

4.	Buy Back	<p><b>Group I</b> – Projects commissioned before 27/12/99 Rs.2.25 per unit in the base year 94-95. The purchase rate shall be increased at 5% compounded rate every year for the first ten years from the date of commissioning, no increase in rate for the next three years and 5% compounded increase in rate every year for the next 7 years.</p> <p><b>Group II-</b> Projects commissioned during the period 27/12/1999 to 31/03/2003. Rs.2.25 per unit in the base year 94-95. The purchase rate shall be increased at 5% per year (simple rate) The validity of the EPA shall be only eight years for the date of commissioning.</p> <p><b>Group III-</b> Project commissioned after 1/4/2003 during the balance period of tenth plan. Rs. 3.50/kwh for the 1<sup>st</sup> year from the date of commissioning of the projects. The purchase rate shall be increased at 15 paise/unit every year for a period of 13 years from the date of commissioning of the projects.</p>
5.	Third Party Sale / Self use	Allowed. Net energy delivered to the grid for self use or self third party shall be adjusted against the consumption made as per the TOD tariff time slots.
6.	Capital Subsidy	NIL
7.	Other Incentives	
a)	Evacuation Arrangement	For Evacuation arrangement of wind energy project, 50% amount will be given as a subsidy through Green Energy Fund & 50% amount will be given as a loan without interest to private developers. The loan will be repaid by MSEB/ Transmission licensees after commissioning and transferring the ownership of Evacuation arrangement to MSEB/Transmission licensees in five equal yearly installments.
b)	Electricity Duty	No Electricity duty shall be leviable for first 5 years from the date of commissioning of the projects for captive consumption.
c)	Approach Roads	100% expenditure for construction of approach roads for wind energy projects will be met through Green Energy Fund.
d)	Encouragement to Co-operative Sector	11% Share Capital will be provided to Co. operative Sector for setting up of wind power projects as a grant through Green Energy Fund.

**Note: For details refer MERC Order dated 24<sup>th</sup> November, 2003**