SIKKIM

GOVERNMENT GAZETTE

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GOVERNMENT OF SIKKIM
POWER DEPARTMENT

Notification

Preamble

Whereas, harnessing of renewable energy is the key requirement for sustainable growth of the State. The state Government is committed to develop solar power in line with the national policy to mitigate the climate change and global warming;

And whereas, the Government of India (GoI) has set a target of 100 gigawatt (GW) of solar energy generation in India by 2022, of which 40 GW is to be achieved from grid connected rooftop solar photovoltaic (GRPV) systems. The Ministry of New and Renewable Energy (hereafter referred to as MNRE), GoI has subsequently allocated 40 GW of GRPV target to all the States;

And whereas, Sikkim, the first organic State of India nestles in the Eastern Himalayan region. It is the second smallest State in the country with an area[i] of 7,096 km^2 where lies the third largest peak, mount Kanchenjunga. The State, known for its bio-diversity and subtropical climate is divided into four districts with 16 sub-districts. The total population is 6.1 lakhs, out of which, only 1.53 lakh is urban population[ii];

And whereas, the estimated solar potential in Sikkim by National Institute of Solar Energy (NISE) is 4.94 gigawatt peak (GWp), despite the low irradiation level from cloud cover and rain. The State has already set-up around 960 kilowatt peak (kWp) off-grid solar PV installation commissioned under the National Solar Mission and Special Area Development Program. In the wake to achieve 100% electrification, installation of GRPV system vis-à-vis off-grid provides multiple benefits to the stakeholders;

And whereas, solar energy provides the ability to generate power on distributed basis in both rural and urban areas. These systems facilitate minimization of distribution losses and also help to overcome the challenges of drawing T&D lines posed by the difficult terrain. GRPV systems are consumer-driven deployment enabling rapid capacity addition with short lead times. From an energy security perspective, solar is available in abundance. Thus, solar is stated as the most secure of all sources;

And whereas, Sikkim is among the fastest-growing States in terms of Gross State Domestic Production (GSDP) with an estimated value of INR 16,637 Crore[iii]. Presently, the State is experiencing an increasing trend in economic activity. As a result, the State can benefit from

the adoption of clean energy through GRPV systems. Further, to achieve a sustainable development route that provides advancement in economic as well as environmental objectives, the Government of Sikkim is determined and taking necessary steps to encourage generation based on renewable energy sources;

And whereas, the per capita energy consumption of Sikkim amounts to 687 kilowatt hour (kWh). Sikkim is both energy and power surplus and majority of its energy requirement is met by the hydropower capacity installed within the State. However, owing to high seismic activities, difficult hilly terrains, sparsely populated remote areas in the State, Sikkim envisages to promote GRPV deployment with or without storage component to support its T&D system. The State's plateau terrain, rich forest cover, climatic conditions, difficulty in land availability, GRPV deployment becomes relatively beneficial vis-à-vis large-scale ground-mounted system. Therefore, the Government of Sikkim understands that there is a need to lay down dedicated framework for this sector.

Now therefore, with the view to align with the aim of Government of India and to promote the GRPV systems, the State Government is hereby pleased to notify the **"Grid Connected Rooftop Solar Photovoltaic System Policy for Sikkim - 2019"** as under:

1. Title of the Policy

This policy shall be known as the **"Grid Connected Rooftop Solar Photovoltaic System Policy for Sikkim - 2019"**.

2. Definitions and Interpretations

(a) "Act" means Electricity Act 2003, including amendments thereto;

(b) "Distribution Utility" means a person granted license under Section 14 of the Act authorizing him to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;

(c) "Eligible Entities" means any person which shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person who shall be eligible to set up plant and receive benefits under this policy;

(d) "GRPV" means Grid Connected Solar Rooftop Photovoltaic System;

(e) "Implementing Agency" means the Energy & Power Department, Government of Sikkim.

(f) "Nodal Agency" means the Sikkim Renewable Energy Development Agency;

(g) "Obligated Entities" means entities obligated to fulfil the Renewable Power Purchase Obligation as prescribed by the Sikkim State Electricity Regulatory Commission;

(h) "Open Access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any utility or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission;

(i) "Premises" means and includes rooftops in respect to which a separate meter has been provided by the Distribution Utility for the supply of electricity;

(j) "Rooftop Solar Photovoltaic Plant" or "Rooftop Solar PV System" or "Grid Connected Rooftop Solar Photovoltaic System" or "GRPV" means the solar photovoltaic power system installed on any part of the premises located within the area of Distribution Utility that uses solar energy for its direct conversion into electricity.

All other words and expressions used in this Policy although not specifically defined herein above, but defined in the Act, shall have the meaning assigned to them in the Act. The other words and expressions used herein but not specifically defined in this Policy or in the Act but defined under any law passed by the Parliament/State Legislation applicable to the electricity industry in the State shall have the meaning assigned to them in such law.

3. Objectives

The Government introduces **Grid Connected Rooftop Solar Photovoltaic System Policy for Sikkim- 2019** with the following specific objectives:

(a) to drive the State towards net-zero;

(b) to add solar energy component and balance the renewable energy generation mix in the State;

(c) to promote GRPV deployment with battery storage for back-up for small size GRPV systems, and peak demand management as well as other value added functions for large size GRPV systems;

(d) to increase the dependence on solar energy and to disseminate environment awareness among the people of the State;

(e) to create a robust investment climate and explore the feasibility of new and innovative metering arrangements and business models;

(f) to promote skill development, and create local entrepreneurship and employment opportunities in the State;

(g) to enable the obligated entities of the State in complying with the Solar Purchase Obligation as specified by the Sikkim State Electricity Regulatory Commission (SSERC).

4. Legislative Framework for Policy

Several provisions under the Electricity Act, 2003 (EA 2003) provides the Electricity Regulatory Commission and Government to take necessary steps for promotion of renewable energy. Section 108 of the Electricity Act 2003 postulates that the Government to give directions to the State Commission in the matter of policy involving public interest. Accordingly, the State Government, in exercise of its powers, formulates this policy. SSERC has notified the (Grid Interactive Distributed Solar Energy Systems) Regulations 2014 under section 86 (1) (e) of the Electricity Act, 2003.

5. Operative Period

(1) The policy shall come into effect from the date of its notification and shall remain valid up to FY 2021-22, until superseded or modified by another policy.

(2) The Government may undertake review of this Policy at regular time intervals and modify/amend the provisions of the Policy as and when required with a view of any technological advancement and/or to remove difficulties.

(3) The Eligible Entities participating under this policy shall continue to be eligible for the incentives declared under this policy for the envisaged period.