



POLICY FOR PROMOTION OF PRIVATE SECTOR INVESTMENT FOR SETTING UP OF POWER GENERATION PROJECTS IN THE STATE OF RAJASTHAN



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(Approved vide Cabinet Order No. 66/2005 dated 14.9.2005 and issued vide Energy Department notification No. F. 7 (6) Energy/2004 dated 15.9.2005 and the amendments approved vide Cabinet Order No. 179/2010 dated 28.10.2010 and issued vide Energy Department notification No. F. 7 (6) Energy/2004 dated 1.11.2010).

In order to meet the growing demand for electricity and for rapid economic development of the State, the Government of Rajasthan has assessed requirement of about 4500 MW additional generating capacity to be added by the end of the year 2011-12. After considering availability of additional generation capacity of about 3000 MW from the State and Central Sector Projects, the State Government has taken a policy decision to promote private sector investment for generation of power for meeting the balance requirement.

2. The following concessions and assistance will be provided to the private entrepreneurs setting up thermal projects of 125 MW and above capacity within the State (except captive power plants):

2.1 Land

- a) **Government Land** : Allotment of land, wherever available, at DLC rate including associated infrastructure viz approach road etc.
- b) **Private Land** : The land will be acquired by the State Government and allotted to the entrepreneur at the cost of acquisition. If the land is acquired by the entrepreneur/ joint venture, then no conversion charges will be levied.

2.2 Single Window Clearance

Proposals under this policy would be given required approvals/clearances by the Board of Infrastructure Development & Investment Promotion (BIDI).

2.3 Stamp Duty :

100% exemption on the stamp duty for execution of deed related to land, financial procedure document and lease documents etc., provided the capital cost of the project exceeds Rs. 750 Crores.

2.4 Water

Cooperation in identification and commitment of water availability for power plants.

2.5 Taxes

Exemption/remission as the case may be from payment of tax by whatever names called on entry into local area, from any place outside that local area, of all capital goods, plants and machinery and spare parts except fuel for the purpose of the project during construction of the project.

2.6 Evacuation System

RVPN shall identify and develop an adequate transmission system for the evacuation of power from such projects. However, entrepreneurs would be free to create their own dedicated transmission lines subject to approval of RVPN for grid connectivity.

2.7 Sale of Power

At least 50% of the energy generated in a year from the project under the policy shall be sold/used within Rajasthan.

2.8 Generation Tariff

Distribution Companies of the State will purchase electricity at the tariff fixed as per prevailing Government of India/Central Electricity Regulatory Commission/Rajasthan Electricity Regulatory Commission guidelines, as the case may be.

2.9 State Government Guarantee :

Purchase of power by the distribution companies of the State Government will be supported by the State Government guarantee.

2.10 IPP and Joint Venture

Concessions and assistance provided under this policy will be available for the power plants to be set up by the private entrepreneurs on their own or as joint ventures with companies of the State Government.

2.11 Other Concessions

Other concessions provided under Rajasthan Investment Promotion Scheme, 2003, effective upto 31st March, 2011, or Rajasthan Investment Promotion Scheme, 2010, presently in operation, will also be available to the IPP and joint venture power projects.

The Private Entrepreneurs/Joint Ventures will be eligible for concessions under this policy subject to their submission of Bank Guarantee of Rs. 10 crores and commissioning of project by 2016-17.



**DEPARTMENT OF ENERGY
GOVERNMENT OF RAJASTHAN**

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