



## **New renewable energy policy makes Bihar energy sufficient by 2022**

New policy to create an investment opportunity of Rs.20,000 Cr

**Patna, May 23, 2017:** Centre for Environment and Energy Development (CEED) along with other civil societies congratulate the Bihar Government for approving the new Policy for Promotion of New and Renewable Energy, 2017, in its cabinet meeting today. This policy will help Bihar reach energy sufficiency in the next five years by adding 3433 MW of power from renewable energy sources into its generation capacity (1). It is one of the most comprehensive renewable energy policy prepared by any state in recent past which covers all renewable energy technologies, including both grid connected and decentralized applications with specific deployment mechanisms. The policy shall act as a catalyst for Bihar to develop one-fourth of its installed generation capacity through renewable energy by 2022, spurring massive economic development through sustainable approach.

Mr. Ramapati Kumar, Chief Executive Officer at CEED stated that “I congratulate the Energy Minister of Bihar for formulating such a comprehensive renewable energy policy for the state. I don’t think that any critical element has been left out in this policy. The policy will commence a new era of development powered by sustainable energy at state level.” Mr. Kumar further said that the “New RE policy may create an investment opportunity of approximate Rs.20,000 Cr.” It is a unique, innovative and path-breaking policy for Bihar. For the first time, decentralized renewable energy systems are considered as key component for delivering energy services for the deprived, he further added.

The new renewable energy policy is truly inclusive and techno neutral with focus on each RE technology to harness 3433 MW of clean energy in the next five years. With well defined target, fixed time line, emphasis on solar-roof top, Decentralized Renewable Energy systems (DRE), and transforming agriculture sector through clean energy are some of the key features of the policy. For the first time, Bihar Government has focussed on creating land banks at district level, and has covered all government buildings’ rooftop as potential roof land for solar projects.

It is expected that the new renewable energy policy will help in creating investment in tune of Rs. 20,000 crores in the state in the next five years. Much of these investments are expected to flow into setting up new manufacturing capacity in the state for solar panels and other renewable energy equipments, skill developments, and research and development for sustainable clean energy. The policy is also expected to open up massive new avenues for jobs and livelihood opportunities in the state; particularly in supply chain, operation, and maintenance for grid-connected and off-grid/ decentralized renewable energy projects.

Congratulating the Bihar Government, Dr. Shaibal Gupta, Member-Secretary, ADRI said that “uninterrupted electricity supply is critical for ensuring sustained high economic development for Bihar, so that development benefits reaches all. Renewable energy will always play an imperative role in ensuring uninterrupted electricity supply. I am glad to see that the Bihar Government has recognized the benefits of renewable energy, like solar and biomass for larger inclusive sustainable energy development of the state. This is a bold step and an important milestone in the development trajectory of Bihar.”

The policy provides a host of economic incentives to project developers for setting up renewable energy projects, which includes exemption of electricity duty, VAT, distribution charges and cross-subsidy surcharges. Furthermore, the policy ensures 100% banking

of energy permitted during all 12 months for renewable energy projects. Provisions to de-risk private sector investment in mini-grid projects are also included, given the fact that remote areas of Bihar possess huge potential for mini-grids, and it is important to tap those potential with suitable investment climate.

“The policy has set up new direction for state’s energy development. It is time for us to develop a pragmatic approach and new business model to realize these targets on ground. All stakeholders including industry, civil societies and research institutions need to work in tandem with the Government to ensure that the targets are met, so that Bihar can contribute to progress India toward clean and sustainable development” concluded Mr. Kumar.

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