

Salient Features of Energy Policy 2009 of Uttar Pradesh (Including Amendments)

View [New Energy Policy 2009](#)

Efficient and quality power supply is key to inclusive socio-economic development. With burgeoning population and demand, it is imperative that well-defined plans and policies are laid down for proper and time-bound improvement in power scenario of the State. The Government of Uttar Pradesh has declared new Energy Policy 2009, which envisages that the per capita consumption of power would increase from the meagre 370 units at present to 1,000 units by 2017. It gives renewed thrust to power generation, transmission and distribution along with simplified procedures and incentives for active private participation.

Salient features of the Policy are:

GENERATION

- **Memorandum of Understanding (MOU) route permitted:** To encourage private participation, generation projects of 250 MW and above shall be allowed to be set up through MOU route by Independent Power Producer (IPP) besides already available routes of Case-1* and Case-2** methods.

Amendment (Dec 24, 2009): State's share in power has been scaled down from existing 90 per cent to just 50 per cent in power generated by private player if state Government made a recommendation for fuel to Union Government.

View details of [Amendments](#)

- **Industry status:** all new projects will be treated as "Industry" in terms of industrial policy of the State and all the incentives available to new projects will be applicable as per the Industrial Policy of the State.
- **State shall facilitate** land assembly, water linkage and necessary clearances for the project as per policy of State Govt. The land cost shall be borne by the developer.
- **Sale of power to third party:** Fifty percent of additional power will be allowed for third party sale in the case of optimised capacity of existing plants or the plants under commissioning.
- **Private participation** in renovation, modernisation and Management of existing power plants through Lease, Rehabilitate, Operate and Transfer
- **Sale of existing plants** to private sector or to any joint sector ventures for new capacity installation at old site
- **Encouragement to setting up of Co-generation plants** based on bagasse / bio-mass or any other non conventional fuel. These plants will be able to use conventional fuel during off season. Of which 50 % would be allowed to be sold under open access system. While plants based on bagasse or bio-mass will be allowed to sell 10% of their total generation.

TRANSMISSION

- **Encouragement to private participation in Transmission** to attract the necessary investments for strengthening and expansion of the Transmission system.
- **Transmission licensees in the private sector** would be encouraged and grant right of way on conditions similar to being granted for state owned Transmission Company

DISTRIBUTION

- **Private sector participation** in both rural and urban area distribution business through a transparent competitive process.
- **Transition period support** to the distribution entities to ensure a successful turnaround of the State power sector.
- **Grant of open access** on the existing State owned transmission network.

RENEWABLE / GREEN ENERGY

- **Encouragement to renewable energy projects** based on bio-mass, solar energy, municipal sewage, solid waste and industrial waste as well as mini, micro and small hydro power projects.

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*Case 1: The private developer has to make arrangement for the land, fuel and water linkages

**Case 2: The government facilitates arrangement for the land, fuel and water linkages then calls for competitive bids