

Government of Chhattisgarh  
Energy Department  
Dau Kalyan Singh Bhavan, Secretariat

**POLICY DIRECTIVES ON ESTABLISHMENT  
OF CAPTIVE POWER PLANTS (CPP) IN CHHATTISGARH**

**1. Meaning of Captive Power Plant**

Captive Power Plants are power plants including Generation Sets, normally established by an industry to meet its own requirements.

**2. Eligibility and Ceiling for Captive Power Plants**

For establishing Captive Power Plant, only those industrialists would be eligible who are consumers (HT or LT) of Chhattisgarh State Electricity Board (CSEB) and no dues of CSEB are outstanding against them.

Permission for CPP would be given only to new industries or existing industries who want to expand and thus bring in additional investments in Chhattisgarh. They would be permitted to install CPP to fulfill their requirements. In case they sale power to consumers outside the state, permission for additional capacity could also be granted.

**3. Permission for Captive Power Plant**

If the capacity of proposed Captive Power Plant (CPP) is upto 25 MW, permission would be accorded by Chhattisgarh State Electricity Board. For capacity exceeding 25 MW, consent of Central Electricity Authority would be required before permission by Chhattisgarh State Electricity Board.

4. No permission for sale of electricity produced by Captive Power Plant to any industrialist within the State (third party sale) shall be given. However, if the Captive Power Plant owner intends to sell electricity outside the State, then subject to technical capacity of the transmission system of Chhattisgarh State Electricity Board, permission for wheeling of power shall be accorded on payment of wheeling charges.

5. Where the Captive Power plant owner consumer intends to supply electricity to its sister concern, eligibility of which shall be decided by State Electricity Board, then such permission would be granted. In case Board's transmission and distribution system is used by the Captive Power Plant consumer to supply power to its sister concern, requisite wheeling charges to CSEB would be payable by the Captive Power Plant owner.

6. In case of excess power with captive power plant consumer for any reason, permission would be granted for selling such power to consumer outside the state. However, selection of purchaser would be done by CPP owner only. Board would facilitate such sale where technically feasible

and subject to payment of requisite charges including wheeling charges, electricity duty and cess, etc. fixed from time to time by the Government / Board.

7. Those industrialists who have already established captive power plant after due permission and who also have permission for third party sale under the previous policy then such permission shall continue till the expiry of the power purchase agreement.

8. Chhattisgarh State Electricity Board would not be under any obligation to buy electricity produced by captive power plant but when required, Chhattisgarh State Electricity Board shall have the first right to purchase such electricity. Rate of purchase of power shall be based on rates at which power from other sources are available.

9. Captive Power Plant owner consumer or consumer to whom the power is being wheeled can increase or decrease the contract demand as per the agreement signed with Chhattisgarh state Electricity Board for power supply from the Board.

### **10. Levy of Electricity duty on electricity produced by Captive Power Plant**

Electricity Duty on electricity produced by the Captive Power Plant will be payable at rates applicable from time to time. However, existing exemption from payment of electricity duty shall be allowed up to the period notified and thereafter, electricity duty as per prevailing rates shall be payable.

### **11. Cess on electricity produced by Captive Power Plant**

Energy Development Cess at the rate of 10 paisa per unit shall be payable on electricity produced by Captive Power Plant.

12. If the Captive Power Plant owner consumer runs his captive power plant parallel to Board's system, then such consumer shall have to install a meter with requisite standard and quality to measure export and import of energy and also provide an inter connection point at his own expense. If a consumer receives any R.K.V.H. power (Reactive Power) from the Board's system then R.K.V.H. charges fixed by the Board from time to time shall be payable separately.

13. Expenses towards connecting the Captive Power Plant with the Board's system shall be borne by the Captive Power Plant owner.

14. No energy banking facility shall be given to captive power plant owner consumer / industrialist.

15. After obtaining approval for establishment of captive power plant, the industrialist shall be required to complete installation of such plant within 3 to 5 years, as decided by Chhattisgarh State Electricity Board.

16. In consumers receiving electricity supply from the Board are desirous to install DG-set as a stand-by for meeting emergency

requirement, then permission for the same would be granted under Electricity (Supply) Act, 1948.

17. To measure the electricity produced by the Captive Power Plant, such owner shall be required to install a high precision and quality meter as per the standards of Electricity Board at his own cost, so that monitoring of electricity produced from time to time could be done and monthly reading taken.

18. Where sale of power from the Captive Power Plant owner industry to its sister concern is arranged using Board's network then wheeling charges and other terms and conditions as announced by the Government from time to time shall be applicable.

## **19. Statutory requirements and clearances**

For establishment of a Captive Power Plant, all required statutory clearances would have to be obtained by the industrialist. Arrangement for land, supply of fuel and water, etc., required for establishing Captive Power Plant would also have to be made by CPP owner.

## **20. Cancellation of the permission**

In case of violation of the guidelines / directions issued by the State Government or conditions prescribed in the sanction accorded by the Chhattisgarh State Electricity Board to the captive power plant owner / industrialist with regard to establishment of the captive power plant or in case of violation of any terms and conditions of the agreement signed between CSEB and the captive power plant owner consumer, the permission granted for establishment of such captive power plant may be reworked and action will be taken as per the law.

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**Energy Department has declared the above policy directives vide Notification No. 2714 / Sec / Energy Deptt / Raipur Dated July 12, 2002**