



July 2025

Bihar notifies Renewable Energy Policy, 2025 to accelerate clean energy deployment

The Government of Bihar has notified the Bihar Policy for Promotion of Bihar New and Renewable Energy Sources, 2025 (“**Policy**”), released on July 10, 2025, with the aim of harnessing 23.97 (twenty-three point nine seven) Gigawatt (“**GW**”) of Renewable Energy (“**RE**”) and 6.1 (six point one) GW-hour of energy storage by financial year 2029–30. The Policy is aligned with national and international climate commitments and supersedes the 2017 version. It lays out technology-specific targets, promotes public-private participation, and introduces a comprehensive incentive framework to facilitate investments across solar, wind, hydro, biomass, energy storage, green hydrogen, and other emerging RE technologies. The Policy remains in force for 5 (five) years from its notification and provides benefits for projects commissioned during this period for up to 25 (twenty-five) years.

Salient features

1. **Targets and scope:** The Policy sets cumulative targets of 23,968 (twenty-three thousand nine hundred and sixty-eight) Megawatt (“**MW**”) for RE and 6,100 MW-hour for energy storage systems by financial year 2029–30. These span utility-scale, distributed, and off-grid RE categories, including solar (ground-mounted, floating, agrivoltaics, canal-top), wind, biomass, small hydro, and waste-to-energy technologies.
2. **Energy storage promotion:** The Policy recognises energy storage as a standalone category and targets 4,500 (four thousand five hundred) MW-hour of grid-level battery storage and 1,600 (one thousand six hundred) MW-hour of pumped storage. Additional exemptions and longer incentive periods are granted to RE+storage projects.
3. **Nodal agencies:** Bihar Renewable Energy Development Agency (“**BREDA**”) is designated as the nodal agency for most RE technologies. Bihar State Power Generation Company Limited (BSPGCL) and Bihar State Hydroelectric Power Corporation Limited (BHPC) will lead pumped storage and hydro power development, respectively.
4. **Incentive framework:**
 - a) **Electricity duty:** 100% exemption for captive/open access consumers for 15 (fifteen) years.
 - b) **SGST:** 100% reimbursement for RE materials for 5 (five) years.
 - c) **Stamp duty and land conversion charges:** 100% reimbursement.
 - d) **Transmission, wheeling and state transmission utility charges:** 100% exemption for intra-state use; extended to 20 (twenty) years for RE+ storage projects.
 - e) **Banking:** Permitted year-round, subject to BERC regulations.

5. **Tariff mechanisms:** Feed-in tariffs for sub-5 (five) MW projects, green tariff options for voluntary consumers, and enabling frameworks for group and virtual net metering are included. Distribution companies are also encouraged to procure power via competitive bidding or through solarisation of agriculture feeders.
6. **Single window clearance:** BREDA will operate a single window cell for time-bound project approvals (within 60 (sixty) days), clearance facilitation, and inter-departmental coordination.
7. **Land and resource allotment:** The Government land may be leased at concessional rates (e.g., for Electric Vehicle (“EV”) charging stations), and private land purchases are permitted. A dedicated committee, Bihar Renewable Energy Resource Allotment Committee (BRERAC), is set up for land/resource allotments.
8. **Industry and manufacturing promotion:** RE projects are granted ‘industry’ status, with incentives aligned to Bihar’s industrial policy. Dedicated RE manufacturing zones and equipment incentives (custom duty, State goods and services Tax, electricity duty waivers) are introduced.
9. **Research and Development (“R&D”):** A minimum of 5% of the RE budget will be dedicated to R&D, innovation, and skilling. BREDA will collaborate with IITs, NITs, and international agencies to establish RE research centers.
10. **EV charging and green mobility:** 50% concessional land rates for the first 1000 (one thousand) RE-based EV charging stations, alongside 25 (twenty-five) year exemptions from transmission and wheeling charges for captive RE use.
11. **‘Must Run’ and compensation:** RE projects are granted ‘Must Run’ status, with provisions for minimum generation compensation in case of grid failure or non-compliance by utilities.
12. **RE development fund:** A Bihar Renewable Energy Development Fund (BRDF) is established for disbursing incentives, infrastructure support, skill development, and innovation grants.

Conclusion

The Policy establishes an ambitious and multi-faceted roadmap to scale up clean energy adoption in the State. By combining sector-specific targets, robust fiscal and non-fiscal incentives, and institutional mechanisms for implementation and dispute resolution, the Policy positions Bihar to become a leading state in India’s energy transition. Stakeholders planning to develop or invest in RE and energy storage in Bihar should evaluate opportunities under the Policy and prepare for participation within its operative window.

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