

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

Extension of the period of applicability of the benchmark capital cost and levelled generic tariff issued by the Commission for Solar Energy based plants vide Suo-moto Order dated 07.06.2019 in Petition No. 18 of 2019 (Suo-Moto) upto March, 2021.

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Shri D.P. Gairola Member (Law)

Shri M.K. Jain Member (Technical)

Date of Order: September 30, 2020

The Commission in exercise of powers vested in it under Section 61(h), 86(1)(e) read with Section 181(2)(zd) of the Electricity Act, 2003, notified the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2018 (hereinafter referred to as "RE Regulations, 2018") on 06.09.2018 which came into force from the date of notification and shall remain in force for a period of 5 years from the date of commencement until and unless reviewed earlier or extended by the Commission.

2. Regulation 11 of the RE Regulations, 2018 specifies as under:

"11. Control Period or Review Period

The Control Period or Review Period under these Regulations shall be of five years, of which the first year shall be the financial year 2018-19.

Provided that the benchmark capital cost of Solar PV, Canal Bank & Canal Top Solar PV, Solar Thermal, Municipal Solid Waste based power projects, Refuse Derived Fuel based power projects and Grid interactive Roof Top and Small Solar PV projects may be reviewed annually by the Commission.

Provided further that the tariff determined as per these Regulations for the RE projects commissioned during the Control Period, shall continue to be applicable for the entire Tariff Period."

Accordingly, based on the above regulation, the Commission vide its Suo-moto Order dated 07.06.2019 reviewed the benchmark capital cost and levelled tariff for the solar energy based power projects commissioned on or after 01.04.2019 and re-determined the benchmark

capital cost and levelled tariff applicable from 01.04.2019 and till further review by the commission. However, due to non-availability of generalised data of module price due to COVID-19 global pandemic, the Commission vide its Suo-moto Order dated 11.05.2020 extended the benchmark capital cost and levelled tariff approved by the Commission vide its Suo-moto Order dated 07.06.2019 for solar energy based power plants upto September, 2020. The relevant extract of the Suo-moto Order dated 11.05.2020 is as follows:

“3. It is to be noted that the Commission reviews the benchmark capital cost annually based on the prices of solar panels/modules in the international market and prices of indigenous solar modules. However, Corona Virus (COVID 19) has affected the global supply chain of solar power modules resulted into non-availability of generalised data of module price. Further, in line with the decision of Central Government, the State Government has declared COVID 19 epidemic because of which all construction activities alongwith other commercial activities has been disrupted for the solar power developers. The Central and State Government has further extended the lockdown with certain relaxation and it appears that commercial activities w.r.t. development of solar energy based power projects, may take time to get normalised.”

3. The Commission observed that the lockdown is being relaxed in a phased manner and the supply chain of goods has yet not normalised and will take some more time. Under these circumstances, the generalised annual data of the Solar PV module prices are still not available and in the absence of these prices, determining the benchmark capital cost and levelled tariff thereof based on prior period (i.e. period prior to Covid-19 pandemic) is bound to give absurd numbers which may not be appropriate for fixing the tariff for solar plants to be commissioned during the remaining period of FY 2020-21. Moreover, the thrust of the Government is now on Make in India products/goods whose pricing may not be certain during initial periods.
4. Accordingly, taking cognizance of the ongoing scenario, the Commission is of the view that the benchmark capital cost and levelled tariff extended by the Commission vide Suo-moto Order dated 11.05.2020 for solar energy based power plants is further extended till 31.03.2021 while the other terms & conditions shall be applicable in accordance with the RE Regulations, 2018.
5. Ordered Accordingly.

(M.K. Jain)
Member (Technical)

(D.P. Gairola)
Member (Law)