

Before

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 04 of 2016

**In the matter of:**

Petition for determination of levelised tariff for Rooftop and Small Solar PV Power Plant as per the revised subsidy.

**In the matter of:**

Uttarakhand Renewable Energy Development Agency ... Petitioner

AND

**In the matter of:**

Uttarakhand Power Corporation Ltd. ... Respondent

CORAM

**Shri Subhash Kumar      Chairman**

**Shri K.P. Singh            Member**

**Date of Hearing: January 19, 2016**

**Date of Order: February 11, 2016**

The Order relates to the Petition filed by Uttarakhand Renewable Energy Development Agency, State Agency (hereinafter referred to as "UREDA" or "Petitioner") seeking determination of levelised tariff for Rooftop and Small Solar PV Power Plant as per the revised subsidy scheme notified by Ministry of New and Renewable Energy, Government of India (MNRE).

Background of the matter, submissions of UREDA & Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL" or "Respondent") and the Commission's views and decisions on the same have been discussed in the subsequent Paras.

2. In accordance with the Uttarakhand Electricity Regulatory Commission (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2013 (RE Regulations, 2013) the Commission revised the capital cost of Solar based power plants and also specified the corresponding levelised tariffs for FY 2015-16 vide its Order dated 23.07.2015.
3. While fixing the tariff for FY 2015-16 in respect of Rooftop and Small Solar PV Power Plants, the Commission had considered applicable level of subsidy of 30% in accordance with the RE Regulations, 2013. Vide the said Order, on UREDA's submissions, the Commission also determined indicative tariff for Rooftop and Small Solar PV Power Plants corresponding to subsidy level of 15%.
4. UREDA, vide its Petition submitted that MNRE had vide its notification dated 26.06.2014 issued guidelines for "Grid-Connected Rooftop and Small Solar PV Power Plants". MNRE vide its notification dated 03.08.2015 reduced the subsidy level for such plants to 15%. Thereafter, MNRE vide its notification dated 19.11.2015 while superseding earlier notification dated 03.08.2015, revised the level of subsidy for these plants based on category of project developers.
5. UREDA has vide its Petition submitted that MNRE is providing subsidy as follows:

S. No.	Category / Beneficiary	Applicable Subsidy From MNRE
1	Central & State Govt. Ministries and their organizations (excluding PSU/Corporate buildings); Govt. Educational Institutions, Hospitals, Community centers, Anganwadis, Panchayat Ghars, State/Central Govt. Buildings, Municipal Corporation Buildings, Police Stations, Police Posts, Vocational Training Centres, Govt. Hostels etc.	70%
2	Commercial & Industrial Establishments in Pvt. Sector	No Subsidy
3	All other Applicants	30%

6. UREDA vide its additional submission dated 02.02.2016 also informed that the Govt. of Uttarakhand is also in the process of providing additional subsidy of 60% for Rooftop and Small Solar PV Power Plants over and above MNRE's subsidy of 30%, which would result in the total subsidy available to such plants equal to 90%.

7. The Petitioner has requested the Commission for determination of revised tariff for Rooftop and Small Solar PV Power Plants considering the level of subsidies as 0%, 30%, 70% & 90% respectively.
8. The copy of the Petition was forwarded to UPCL for submission of comments. UPCL vide its reply dated 18.01.2016 objected on maintainability of the Petition. The Commission held a hearing in the matter on 19.01.2016. However, w.r.t. UREDA's prayer for determination of levelised tariffs based on varying slabs of subsidy in respect of Grid-Connected Rooftop and Small Solar PV Power Plants, UPCL has submitted that a fresh Petition should be filed by UREDA.
9. The Commission observed that Regulations stipulate correction in tariff in case the amount of subsidy is increased or reduced by MNRE. Regulation 15(4) of the RE Regulations, 2013 provides that:

*“(4) The amount of subsidy shall be considered for each renewable source as per the applicable policy of MNRE. If the amount of subsidy is increased or reduced by MNRE, then necessary corrections in tariffs would be carried out by the Commission provided the reduction in subsidy amount is not due to the inefficiency of the generating company.”*

Keeping in view the above mentioned provision of RE Regulations, 2013, the Commission is of the view that it would be appropriate to specify tariffs for Grid-Connected Rooftop and Small Solar PV Power Plants based on the MNRE's notifications dated 19.11.2015. Accordingly, the Commission vide its Order dated 19.01.2016 admitted the Petition.

10. The Commission has vide its Order dated 23.07.2015 fixed the capital cost & corresponding tariffs for Solar based plants including Grid-Connected Rooftop and Small Solar PV Power Plants for FY 2015-16. Vide the aforesaid Order tariff for Grid-Connected Rooftop and Small Solar PV Power Plants has already been specified considering applicable level of subsidy of 30%. The Commission has also specified indicative tariff corresponding to 15% subsidy vide the above mentioned Order.

11. Considering the benchmark capital cost specified for FY 2015-16 in the above mentioned Order dated 23.07.2015, the Commission has determined the applicable tariffs corresponding to level of subsidy for Grid-Connected Rooftop and Small Solar PV Power Plants as requested by UREDA as under:

Category of Developer	(A) Commercial & Industrial Establishments in Pvt. Sector	(B) Central & State Govt. Ministries and their organizations(excluding PSU/Corporate buildings); Govt. Educational Institutions, Hospitals, Community centers, Anganwadis, Panchayat Ghars, State/Central Govt. Buildings, Poice Stations Police Posts, Vocational Training Centers, Govt. Hostels etc.	(C) Developers getting 60% subsidy from GoU over and above 30% subsidy from MNRE
Subsidy Level	0%	70%	90%
Gross -Tariff (Rs./kWh)	7.75	4.80	4.35
Less : Acc. Dep (Rs./kWh)	0.60	0.65	0.65
Net -Tariff (Rs./kWh)	7.15	4.15	3.70

12. The tariff for the above mentioned plants based on 30% subsidy shall continue to be applicable as determined by the Commission vide its Order dated 23.07.2015. Further, the above mentioned tariffs shall also remain applicable for plants commissioned on or before 31st March, 2016, i.e. by the end of FY 2015-16. These tariffs may be revised from next financial year based on the review of benchmark capital cost of solar based plants as may be decided by the Commission.

13. In this regard, UREDA would certify the amount of subsidy available to the Grid-Connected Rooftop and Small Solar PV Power Plants and the admissible tariffs applicable for such plants and UPCL shall make necessary payments accordingly.

14. Ordered accordingly.

**(K.P. Singh)**  
Member

**(Subhash Kumar)**  
Chairman