

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 19 of 2015

In the matter of:

Application seeking approval of the Commission on the Draft Power Purchase Agreement between UPCL & Grid Interactive Rooftop & Small Solar PV Plant under Third Party Model.

In the matter of:

Uttarakhand Power Corporation Ltd.

... Petitioner

AND

In the matter of:

Uttarakhand Renewable Energy Development Agency

.... Respondent

CORAM

Shri Subhash Kumar Chairman

Shri C.S. Sharma Member

Shri K.P. Singh Member

Date of Order: September 09, 2015

This Order relates to the Petition dated 13.08.2015 filed by UPCL (hereinafter referred to as "Petitioner" or "Licensee") seeking approval of the Commission on the Draft Power Purchase Agreement between UPCL & Grid Interactive Rooftop & Small Solar PV Plant under Third Party Model.

1. Petitioner's Submissions

- 1.1. UPCL filed the Petition under Section 86(1)(b) of the Electricity Act, 2003 and clauses 5.4, 5.3 & 5.4 of the license conditions of the Distribution and Retail Supply license dated 20.06.2003 issued by the Commission.

- 1.2. UPCL submitted that Ministry of New and Renewable Energy, Government of India vide its letter 5/23/2009-P&C dated 08.07.2010 approved the first phase of the Jawaharlal Nehru National Solar Mission. MNRE, Government of India vide letter 5/6/2013-14/RT dated 31.12.2013 also accorded approval for installation of Grid-Interactive Rooftop and small SPV power plants of total aggregate capacity of 5 MW in the State of Uttarakhand.
- 1.3. UPCL submitted that Regulation 35 of the RE Regulations, 2013 specifies technology specific parameters of Grid Interactive Rooftop & Small Solar PV Plants. UPCL while referring to Solar Energy Policy of Uttarakhand, 2013 dated 27.06.2013 notified by GoU submitted that as per the said policy GoUK/UREDA was required to invite proposals from the prospective developers as per the Guidelines issued by Ministry of New and Renewable Energy, Govt. of India under JNNSM as amended time to time. Accordingly, Govt. of Uttarakhand vide letter no. 591/I/2013-03/2013 dated 13.05.2013 authorized/ permitted UREDA to implement Grid Interactive Rooftop and Small Solar Photovoltaic power plant in Uttarakhand State.
- 1.4. UPCL submitted that Government of Uttarakhand launched “Uttarakhand Grid Interactive Rooftop and Small SPV Power Plants Scheme” wherein, solar installations owned, operated and maintained by Third Party has also been specified.
- 1.5. UPCL further submitted that the Commission on 21.07.2015 amended the RE Regulation, 2013 and has thereby provided for Tripartite Agreement between Eligible consumer, Third Party and UPCL.
- 1.6. UPCL submitted that it is desirous of purchasing the entire surplus energy on the terms and conditions as agreed between Eligible consumer, Third Party and UPCL as per the terms and condition laid down in draft Power Purchase Agreement.

2. Respondent's Submissions

UREDA vide its letter dated 25.08.2015 has submitted as follows:

- 2.1 In respect of Para 1 of preamble of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“This Power Purchase Agreement, herein after referred to as PPA or the Agreement, is made on ____day of in the year 2015 by and between....., herein after referred to as “Eligible Consumer ”, (which expression shall include its heirs,

successors in business, legal representatives, and assigns), on whose premises the Third Party Owner *installed a Rooftop Solar Power Plant of capacity kW under third party model of MNRE scheme* located at Village as party of the First Part and Uttarakhand Power Corporation Limited, herein after referred to as UPCL or the Distribution Licensee, which expressions shall wherever the context so permits includes its administrator, legal representatives, successors in interest and assigns as party of the Second Part; herein after referred to as “Third Party Owner”, (which expression shall include its heirs, successors in business, legal representatives, and assigns), who is the owner of kW *in third party model* under MNRE scheme located at Villageproposed to be commissioned *on 31st of March 2016* as party of the third Part;”

2.2 UREDA submitted that Para 2 of preamble of the Draft Power Purchase Agreement should be read as:

“WHEREAS, *under rooftop solar power plant scheme, the Third Party Owner* is engaged in the business of Power generation from its Plant of capacity (*.... KW*) *in third party model* situated in in the state of Uttarakhand at connection no.and registered in UREDA with registration no.”

2.3 With respect to Para 6 of preamble of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“And WHEREAS the Third Party Owner is willing to setup the Grid Interactive Rooftop and Small Solar PV Power Plant and shall settle the surplus generation, after self-consumption at SC no., with UPCL at the rate would be determined in *third Party model* by the Commission for the entire life of the Plant;”

2.4 With respect to Para 7 of preamble of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“And WHEREAS *The Third Part* is agreed to sell surplus generation after injecting power *as per the* clause 7(b) of MNRE operational guidelines for grid interactive rooftop & small solar PV plant dated 26-06-2014 and Hon’ble UERC order dated 07-11-2014 and 21-07-2015 for implementation of Grid interactive rooftop solar power plant.”

2.5 With respect to Clause 1.1(j) of the Draft Power Purchase Agreement , UREDA submitted that it should be read as:

“*Third Party Project*” means project *that* uses sunlight for direct conversion into electricity through photovoltaic technology under MNRE scheme for Grid Interactive Rooftop and Small Solar PV Power Plant;”

2.6 With respect to Clause 1.4 of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“It shall be the responsibility of the Third Party Owner to provide the electricity to Eligible Consumer use and shall inject the surplus (after the use of eligible consumer) power to UPCL’s when the energy injected by the Third Party Owner is more than the energy drawl from the Distribution Licensee, UPCL shall release payment in favour of *Third Party Owner* at the net energy basis.”

2.7 With respect to Clause 4.1 of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“UPCL shall prepare bill for net electricity purchased by *Third Party Owner/Eligible Consumer* from UPCL or net electricity supplied by Third Party Owner to UPCL as per billing cycle.....”

2.8 With respect to Clause 5.1 of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“If in any billing period, *the energy drawl* by the *Third Party Owner/Eligible Consumer* is more than the energy *injected* to the Distribution Licensee, *Third Party owner* shall pay the bill based on the net energy as per tariff order of UERC, whichever is applicable as per the billing cycle.”

2.9 With respect to Clause 6.5 of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“.....On the completion of work *Third Party Owner* shall immediately notify Nodal Officer of UPCL by telephone and confirm in writing before charging the line.”

2.10 With respect to Clause 10.2(a) of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“Failure to pay to the *Third party owner/ Eligible Consumer* any amount payable and due under this agreement within sixty (60) working days.....”

2.11 With respect to Clause 13 of the Draft Power Purchase Agreement, UREDA submitted that it should be read as:

“If the said dispute/dissatisfaction remains unresolved, after 30 working days either party can file a petition before UERC, whose decision will be final and binding *on all the three parties... ..*”

2.12 General Comment: UREDA also submitted the following:

“**Note:-** “Third Party Module” *should* be replaced by “*Third Party Model*” in the PPA.”

3.1 Legal Requirement for approval of PPA

3.1.1. A PPA is a legal document incorporating operational, technical & commercial provisions to be complied in accordance with the relevant rules & regulations.

3.1.2. Section 86(1)(b) of the Electricity Act, 2003 stipulates that one of the function of the Commission is to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.

3.1.3. Further, the Distribution and Retail Supply Licence issued by the Commission lays down certain conditions of license, which amongst others also has the following:

“5.1 The Licensee shall be entitled to:

(a) ...

(b) Purchase, import or otherwise acquire electricity from any generating company or any other person under Power Purchase Agreements or procurement process approved by the Commission;

...”

(Emphasis added)

3.1.4. Regulation 39 of UERC (Conduct of Business) Regulations, 2014 specifies as under:

(1) *The distribution licensee shall file with the Commission in complete form copies of all Power Purchase Agreements already entered into by it.*

- (2) *The distribution licensee to establish to the satisfaction of the Commission that the purchase of power by it is under a transparent power purchase procurement process and is economical and the power is necessary to meet its service obligation.*
- (3) *The Distribution licensee shall apply to the Commission for approval of the draft Power Purchase agreement that it proposes to enter into with the suppliers. The Commission may pass orders:

 - (a) *Approving the agreement; or*
 - (b) *Approving the agreement with modifications proposed to the terms of the agreement; or*
 - (c) *Rejecting the agreement.*
”*

3.1.5. Further, Regulations 7(2) & 7(3) of the UERC (Tariff and other Terms for Supply of Electricity from Non-Conventional and Renewable Energy sources) Regulations, 2013 (RE Regulations, 2013) read with third amendment of the same stipulate that:

“(2) The distribution licensee on an offer made by the said RE based Generating Stations and Co-generating Stations shall enter into a power purchase agreement in conformity with these Regulations and relevant provisions of other Regulations and the Act. The distribution licensee shall sign the PPA within two months of offer made by the generating company, failing which the generating company may approach the Commission for suitable remedy. Provided that where a grid interactive roof top and small Solar PV plant, is installed in the Premises, by a third party who intends to sell net energy (i.e. after adjustment of entire consumption of owner of the premise) to the distribution licensee, a tripartite agreement will have to be entered into amongst the third Party, the Eligible Consumer and such Distribution Licensee.”

(3) The distribution licensee shall make an application for approval of power purchase agreement entered into with the generating station in such form and manner as specified in these regulations and Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time.”

(Emphasis added)

3.1.6. Accordingly, in accordance with the requirement of the Act and Regulations referred above, UPCL as a distribution licensee is required to seek approval of the PPA entered or proposed to be entered by it from the Commission.

3.2 Consistency of the PPA with the Regulations

3.2.1 Regulation 6(7) of RE Regulations, 2013 stipulates that:

“Except as provided in the Second Proviso to sub-Regulation (1) of Regulation 2 above, all Power Purchase Agreements signed by the generating stations existing on the date of notification of these regulations shall be amended in accordance with these regulations, if inconsistent with these Regulations and such amended PPAs shall be valid for entire life of the RE Based Generating Stations and Co-generating Stations.”

3.2.2 Hence, all the PPAs entered into by UPCL are required to be amended in accordance with RE Regulations if they are inconsistent with the provisions of RE Regulations, 2013. Accordingly, PPAs executed or proposed to be executed between UPCL & the above mentioned parties involved are examined for consistency and conformity with the relevant provisions of the Electricity Act, 2003 & RE Regulations, 2013.

3.3 Commission's Views & Decision

3.3.1 With respect to the project-capacity of 500 kW mentioned in preamble of the draft PPA, and also pointed out by UREDA, the Commission is of the view that it should be project specific and cannot be fixed in draft PPA, hence, the same should be corrected.

3.3.2 The word “module” appearing in draft PPA such as at 5th line of the preamble appears to be wrongly placed and, accordingly, required to be removed from the said draft PPA. UPCL is required to make necessary correction in case the said word appears at other places of draft PPA also.

3.3.3 UREDA submitted that after the word “Third Party Owner” in 12th line of preamble of draft PPA words “Rooftop solar power plant” may be included. In this regard, the Commission is of the view that it can be considered in draft PPA as the same is intended for such solar plants.

3.3.4 At the end of first Para of the preamble of the draft PPA date of project to be commissioned is mentioned as 31.03.2015. Since the said date has already passed, it appears that the same was wrongly mentioned and it should be corrected. The date of commissioning may be kept on project specific basis depending on the scheduled date of commissioning of each project and not as March 31, 2016 submitted by UREDA.

3.3.5 At the end of 5th and 7th Para of preamble of draft PPA, the date of the Commission's Order has been mentioned as 21.07.2015 and the same is incorrect as no Order has been issued on that date. However, it may be noted that the Commission has vide Order dated 23.07.2015 approved the revised benchmark cost of Solar based projects and corresponding tariffs in accordance with the regulations. Further, the Commission also issued third amendment to the RE Regulations, 2013 on 21.07.2015. Accordingly, UPCL is required to make necessary correction in this regard in the PPA.

3.3.6 "Third Party Owner" has been defined at two places in the draft PPA namely at clause 1.1 (j) & clause 1.1(n). Definition at clause 1.1(n) is correct, however, the same as defined at clause 1.1(j) is incorrect. As submitted by UREDA clause 1.1(j) may be modified as follows:

"Third Party Project", means the project that uses sunlight for direct conversion into electricity through photovoltaic technology under MNRE scheme for Grid Interactive Rooftop and Small Solar PV Power Plant and specified by the Commission.

3.3.7 Clause 1.4 of the draft PPA provides that:

"1.4 Liabilities of Consumer and Third Party Owner

UPCL shall raise bill in favour of Eligible Consumer on the net energy basis when the energy received by the Third Party Owner is more than the energy supplied to the Distribution Licensee

It shall be the responsibility of the Third Party Owner to provide the electricity to Eligible Consumer use and shall inject the surplus (after the use of eligible consumer) power to UPCL's when the energy injected by the Third Party Owner is more than the energy drawl from the Distribution Licensee, UPCL shall release payment in favour of Eligible Consumer at the net energy basis.

Any dispute regarding the payment/any other matter in between Eligible consumer and Third Party Owner, shall be settle on the mutual basis or by any other method on their own, UPCL shall not be responsible and Liable in this regard of their Mutual dispute."

Responding on the above conditions of the draft PPA with regard to release of payment to eligible consumers, UREDA has submitted that contrary to the conditions in draft PPA, this payment should however be released to third Party Owner. In this

regard, the Commission observes that proviso to sub-regulation 7(2) of the RE Regulations, 2013 read with third amendment of the said regulation, stipulates that:

“Provided that where a grid interactive roof top and small Solar PV plant, is installed in the Premises, by a third party who intends to sell net energy (i.e. after adjustment of entire consumption of owner of the premise) to the distribution licensee, a tripartite agreement will have to be entered into amongst the third Party, the Eligible Consumer and such Distribution Licensee”.

Since the projects are being implemented on net metering basis under tripartite agreement, the agreement should provide that in case energy after netting out is supplied by UPCL, it will raise bill on eligible consumer. Conversely in case energy after netting out is being supplied to UPCL, UPCL shall pay to the Third party owner and not to the eligible consumer. Further, in third line of second para of clause 1.4 words “system/grid” should be inserted after the word “UPCL’s”. Accordingly, UPCL is required to make necessary corrections in accordance with regulations as discussed above.

3.3.8 Clause 2.1 of the draft PPA provides that:

“The Distribution Licensee shall accept all the power/surplus power made available at the interconnection point from the Generating Plant, and after the commercial operation of the Generating Plant as per 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 as amended from time to time.”

This Para in the draft PPA should be modified to be read as:

*“The Distribution Licensee shall accept all the power/surplus power made available at the interconnection point from the Generating Plant, and after the commercial operation of the Generating Plant as per 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 as amended from time to time **and at rates specified by the Commission from time to time.**”*

3.3.9 Clause 2.2 of the draft PPA provides that:

“In any billing period, the net energy i.e. the difference between the total energy injected by

the Third Party Owner into the Grid and the energy supplied by the Distribution Licensee, shall be purchased, in accordance with the terms and conditions of this Agreement and at rate specified for such plants in Annexure I of 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 and tariff order of UERC, whichever is applicable."

In this regard, the relevant sub-regulations (2), (3), (4) & (5) of Regulation 35 of the RE Regulations, 2013 read with third amendment thereof are reproduced below which specify that:

"(2) Roof-top Solar PV sources can be installed for injecting into the distribution system of a licensee by any Eligible consumer.

Provided, the maximum installed capacity of rooftop PV solar power plant & small solar PV plant at the premises of eligible consumer shall not be more than 500 kW.

(3) Injection from roof-top solar PV sources owned by the Eligible consumer(s) or by third party shall be settled on net energy basis at the end of each Billing period.

Provided, such net energy shall not be more than 95% of the actual energy generated in the said Billing Period.

Provided, where the net energy injected exceeds 95% of the actual energy generated in a Billing Period, such excess net energy (net energy - 95% of actual energy generated) shall be paid at the lowest base slab of energy charges prescribed in the Rate Schedule for the said Eligible Consumer.

(4) The tariff, as per tariff orders of the Commission, in respect of the supply of electricity to the consumers by the distribution licensee shall be applicable for the net energy supplied by the licensee in a billing period if the supplied energy by the licensee is more than the energy injected by the roof-top solar PV sources of the consumer(s) or by third party.

Provided that such eligible consumer shall, however, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges.

Provided further that no open access charges including surcharges shall be leviable on such eligible consumers for the captive use of power.

(5)If in a billing period the supplied energy by the licensee is less than the energy injected by the roof-top solar PV sources of the consumer(s) or the third party, subject to provisions in sub-Regulation (3) above, the licensee would be billed at the generic tariff as may be specified by the Commission for such net energy supplied to it.”

Accordingly, the provision of adjustment of energy injected by Solar power plants and applicability of tariff for such energy, as stipulated in the above mentioned sub-regulations, is required to be elaborated in Clause 2.2 of the draft PPA. Hence, Para 2.2 should be read as under:

“Injection from roof-top solar PV sources owned by the Eligible consumer(s) or by third party shall be settled on net energy basis at the end of each Billing period. However, such net energy shall not be more than 95% of the actual energy generated in the said billing Period. Where the net energy injected exceeds 95% of the actual energy generated in a Billing Period, such excess net energy (net energy - 95% of actual energy generated) shall be paid at the lowest base slab of energy charges prescribed in the Rate Schedule for the said Eligible Consumer.

The retail tariff, as per tariff orders of the Commission, in respect of the supply of electricity to the consumers by the distribution licensee shall be applicable for the net energy supplied by the licensee in a billing period if the supplied energy by the licensee is more than the energy injected by the roof-top solar PV sources of the consumer(s) or by third party. However, such eligible consumer shall be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other such charges or open access charges including surcharges.

If in a billing period the supplied energy by the licensee is less than the energy injected by the roof-top solar PV sources of the consumer(s) or the third party, the licensee would be billed at the generic tariff as may be specified by the Commission for such net energy supplied to it.”

3.3.10 Clause 3.1 of the draft PPA provides that Third Party Owner shall supply two identical sets of meters and Clause 3.2 provides that the Third Party Owner shall bear the cost of installing new/additional meter/metering system. However, sub-regulation 42(4) of the RE Regulations, 2013 read with third amendment to said regulations specifies as under:

“(4)The cost of switch gear, metering and protection arrangement at generator end shall have to be borne by the owner of solar generators. However, Check Meter with same specification of Main Meter shall be provided by distribution licensee.

Provided, Check Meter and related equipments can be procured by such plant owner. However, the cost of Check Meter shall be refunded by the licensee to such plant owner.”

In view of the above provision of the regulation, licensee is required to bear the cost of check meter. Hence, necessary correction is required to be made in the said clause of the PPA. Further, sub-regulation 42(3) of the of the RE Regulations, 2013 read with third amendment to said regulations specifies that energy supplied by the plant can be measured either by two separate meters or alternatively by an export-import type meter as reproduced below :

“(3)Supply of electricity to the consumer(s) from the licensee’s sources and that to the licensee’s distribution system from the roof-top Solar PV sources shall be measured either by two separate meters, the readings of which shall be used in each billing period for settlement on net basis or alternatively by an export-import type meter suitable for directly measuring the net exchange.”

In view of the above provision of the regulations, the owner of rooftop/small solar PV plant can opt to install either two separate meters or one single export-import meter suitable for directly measuring the net exchange of power.

- 3.3.11 Clause 3.13 &3.14 of the draft PPA provides the metering arrangement at generator terminal unit and other parameters to be in accordance with “CEA (Installation and Operation of Meters) Regulations, 2010” however, short title of the said regulations should be substituted with “CEA (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.”
- 3.3.12 Clause 4.1 of the draft PPA provides that UPCL shall prepare bill for net electricity purchased by Third Party Owner from UPCL or net electricity supplied by Third Party Owner to UPCL. UREDA submitted that “Eligible Consumer” should also be included after the words “Third Party Owner”. UREDA’s this submission appears to be contradictory with that made in respect of clause 1.4 of the draft PPA discussed above wherein, UREDA has proposed that payment should be released to third Party

Owner. In this regard, the Commission reiterates its views taken at Para 3.3.7, hence, no change is required in the said clause 4.1. Further, as discussed in Para 3.3.9 above, billing of energy supplied from such plants shall be strictly in accordance with sub-regulations (2), (3), (4) & (5) of Regulation 35 of the RE Regulations, 2013 read with third amendment thereof. Hence, necessary correction is required to be incorporated in said Clause 4.1 of the draft PPA.

3.3.13 Clause 5.1 of the draft PPA provides for payment to be made by Eligible Consumer in case of energy injected from Rooftop and small solar power plant is lesser than energy drawal from licensee's system. Similarly, sub-clauses 10.1(e) & 10.2(a) also mention "Failure by the Eligible Consumer/Third Party Owner to pay UPCL" & "Failure to pay to the Eligible Consumer". As discussed at Para 3.3.7 above, provisions should be appropriately modified that payment will be made to third party owner. This modification should be applied to all places in draft PPA wherever mentioned inconsistent with the Para 3.3.7 above.

3.3.14 Clause 5.2 of the draft PPA provides that:

"If in any billing period, the energy injected by the Third Party Owner is more than the energy drawal from the Distribution Licensee, the Distribution Licensee shall pay monthly bill based on net energy as per 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.

a. *UPCL shall make full payment against such Bills as per RE Regulation 2013 to the Eligible consumer, from the date of the issuance/raising of original bill with complete documents with following rebate options:-*

(i) *For payment of bills through the letter of credit on presentation, a rebate of 2% shall be allowed.*

(ii) *Where payments are made by a mode other than through the letter of credit but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.*

b. *For default in payment beyond 60 days from the billing, a surcharge at the rate of 1.25(%) percent per month or part thereof shall be levied on the billed amount."*

Clause 5.2 of the draft PPA should be read as:

“If in any billing period, the energy injected by the Third Party Owner is more than the energy drawl from the Distribution Licensee, the Distribution Licensee shall pay monthly bill based on net energy in accordance with 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 read with sub-regulations (2),(3),(4) &(5) of regulation 35 of third amendment of these Regulations.

- a. UPCL shall make full payment against such Bills as per RE Regulation 2013 to the Eligible consumer, from the date of the issuance/raising of original bill with complete documents with following rebate options:-
 - (i) For payment of bills through the letter of credit on presentation, a rebate of 2% shall be allowed.
 - (ii) Where payments are made by a mode other than through the letter of credit but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.
- b. For default in payment beyond 60 days from the billing, a surcharge at the rate of 1.25(%) percent per month or part thereof shall be levied on the billed amount.”

3.3.15 Clause 6.1 of the draft PPA provides that:

“6.1 Power from the Third Party Owner shall be transmitted 11 V/ KV voltage and to the UPCL’s system as per clause 42 of UERC regulation 2013.”

This Clause should be read as:

“6.1 Power from the Third Party Owner shall be transmitted 11 V/ KV voltage and to the UPCL’s system as per clause 42 of UERC RE Regulations, 2013 as amended from time to time.”

3.3.16 In 4th line of the clause 6.5 name of “UJVN Limited” appears to be wrongly placed it should be replaced by “Third Party Owner” as also submitted by UREDA.

3.3.17 Clause 6.7 of the draft PPA provides that the Third Party Owner and UPCL shall, operate and maintain the interconnection and parallel operation facility in accordance with accepted good engineering practices in the electricity industry and the SGC as amended from time to time. In this regard, the Commission is of the view that CEA

(Technical Standard for Connectivity to the Grid) Regulations, 2007 are in place for connectivity, hence, licensee should ensure including said regulations in the PPA.

3.3.18 Further, sub-regulation 42(2) of the RE Regulations, 2013 read with third amendment thereof provides that:

(2)“In the interconnection of roof top PV solar energy generator with the local distribution licensee’s grid, the relevant provisions of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 as amended from time to time shall apply.”

Interconnection facility mentioned at Clause 6 & Clause 7 of the draft PPA should be in accordance with the above mentioned CEA Regulations, 2010, the same should also be specified in said Clause of the draft PPA.

3.3.19 Clause 7.2 requires that Third Party Owner should obtain prior approval of licensee in respect of protection scheme. However, no timeline for the same has been provided in said Clause. In this regard, UPCL is required to provide a definite time line with mutual consent of both parties for according the said approval.

3.3.20 Clause 7.3 requires for installation of necessary equipments by Solar PV Plant for elimination of feeding reverse power from grid to Solar PV Plant in absence of any agreement for purchase of power with UPCL.

It is pertinent to reproduce Sub-regulations (6) & (7) of Regulation 42 of the RE Regulations, 2013 (third amendment) which cast responsibilities both on Distribution Licensee & Eligible Consumer w.r.t. to protection & safety aspects and the same read as:-

“(6)The roof top PV solar energy generator shall be responsible for safe operation, maintenance and rectification of defect of its system up to the interconnection point beyond which the responsibility of safe operation, maintenance and rectification of any defect in the system including the net meter shall rest with the distribution licensee.

(7) The eligible consumer shall be solely responsible for any incidents/accident to human being/ animals whatsoever (fatal/nonfatal/departamental/non-departamental/damages to material of the licensee) that may occur due to back feeding from the solar plant when the grid supply is off and such consumer shall not only bear the cost of the damages to the material of the licensee but also compensate for the life of any human being/ animals in case of such incidents/accidents. The

distribution licensee reserves the right to disconnect the consumer's installation at any time in the event of such exigencies to prevent accident or damage to man and material."

In order to ensure safe and secure operation of overall system of the licensee and life of human being/ animal as well, the above mentioned two sub-regulations are critical, accordingly, licensee is required to revise clause 7.3 and incorporate the above provisions of the Regulation in the clause 7 of the draft PPA.

3.3.21 Clause 9(b) provides that:

"b. The agreement may be renewed or extended for such period as may be mutually agreed between the Third Party Owner and UPCL on expiry of initial term described at 10.1 above."

The above condition should be modified to be read as:

"b. The agreement may be renewed or extended for such period as may be mutually agreed between the Third Party Owner and UPCL on expiry of initial term described at 9(a) above."

3.3.22 Words "both the parties" appearing in 2nd line of 2nd Para of clause 13 of the draft PPA appears to be incorrect as the agreement is to be executed amongst "Licensee", "Eligible Consumer" and "Third Party Owner". Hence, as also submitted by UREDA, words "both the parties" should be replaced by "all the three parties".

3.3.23 In addition to the above, the Commission noted that certain important clauses such as "Liason with & Assistance from UPCL", "Indemnification" and "Approvals" have not been incorporated in the said draft PPA, however, these clauses were existing in PPAs earlier submitted by UPCL before the Commission for approval. In this regard, the Commission is of the view that these clauses should also be included in the draft PPA.

3.3.24 UPCL is directed to amend the draft PPA in accordance with the observations of the Commission in this Order and sign the PPA with the developers after incorporating the same.

4. With this, Petition no. 19 of 2015 stands disposed.

5. Ordered accordingly.

(K.P. Singh)
Member

(C.S. Sharma)
Member

(Subhash Kumar)
Chairman