

**NEW & RENEWABLE ENERGY DEPARTMENT, HARYANA**

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From

Director General,  
New & Renewable Energy Department/HAREDA  
Akshay Urja Bhawan , Sector-17, Panchkula

To

The Managing Director,  
HVPNL, Sector 6, Panchkula

Memo No. DNRE/2019/3177-3178 dated: 25/09/2019

**Subject: Regarding definition of Group Captive Ground Mounted Solar Power Project mentioned in the letter issued for grant of final connectivity to Ground mounted solar power projects.**

Please refer the letters issued by HVPNL for approval of final connectivity to Ground Mounted Solar Power Projects.

It is informed that vide the letter under reference, as per condition no. (xi), it is stated that *"The Group Captive is not a defined category under Electricity Rules, 2005 and HERC Regulations."*

In this regard, it is informed that as per HERC Regulations Regulation No. HERC/40/2018/2nd Amendment/2019 dated 14.6.2019, *"Wheeling and Transmission Charges will be exempted for the entire life of the project from the date of commissioning for all Captive Solar Power Projects which have submitted applications to Haryana Renewable Energy Development Agency (HAREDA) for registration of project, purchased land or have taken land on lease for thirty years and have bought equipment & machinery or invested at least Rs. one crore per Mega Watt for purchase of equipment & machinery for setting up of such Captive Solar Power Projects till 13th February, 2019, while cross subsidy surcharges and additional surcharges are not applicable for Captive Solar Power Projects as per provisions of HERC Regulations (Electricity Act 2003)"*.

Also as per Electricity Rules, 2005 of Ministry of Power, the definition of Captive generating Plant is given as under:

*"Requirements of Captive Generating Plant.-*

*(1) No power plant shall qualify as a 'captive generating plant' under section 9 read with clause (8) of section 2 of the Act unless-*

*(a) in case of a power plant -*

*(i) not less than twenty six percent of the ownership is held by the captive user(s), and*

*(ii) not less than fifty one percent of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use:*

*Provided that in case of power plant set up by registered cooperative society, the conditions mentioned under paragraphs at (i) and (ii) above shall be satisfied collectively by the members of the cooperative society:*

*Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty six percent of the ownership of the plant in aggregate and **such captive user(s)** shall consume not less than fifty one percent of the electricity generated, determined on an*



- annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent;
- (b) in case of a generating station owned by a company formed as special purpose vehicle for such generating station, a unit or units of such generating station identified for captive use and not the entire generating station satisfy (s) the conditions contained in paragraphs (i) and (ii) of sub-clause (a) above including-

Explanation :-

- (i) The electricity required to be consumed by **captive users** shall be determined with reference to such generating unit or units in aggregate identified for captive use and not with reference to generating station as a whole; and
- (ii) **the equity shares to be held by the captive user(s) in the generating station shall not be less than twenty six per cent of the proportionate of the equity** of the company related to the generating unit or units identified as the captive generating plant.

**Illustration:** In a generating station with two units of 50 MW each namely Units A and B, one unit of 50 MW namely Unit A may be identified as the Captive Generating Plant. The captive users shall hold not less than thirteen percent of the equity shares in the company (being the twenty six percent proportionate to Unit A of 50 MW) and not less than fifty one percent of the electricity generated in Unit A determined on an annual basis is to be consumed by the captive users.

- (2) It shall be the **obligation of the captive users** to ensure that the **consumption by the Captive Users** at the percentages mentioned in sub-clauses (a) and (b) of sub-rule (1) above is maintained and in case the minimum percentage of captive use is not complied with in any year, the entire electricity generated shall be treated as if it is a supply of electricity by a generating company."

From the above definition of Captive Generating Plant as defined by Ministry of Power vide the Electricity Rules 2005, it is evident that for a captive generating plant, more than one user may have the share of minimum 26% equity, **thus a group of companies/ association of persons may have the minimum 26% equity share in the project.** Hence, Group Captive is included in the above definition of Captive Generating Plant.

Accordingly, HVPNL is requested to include the Group captive in the Captive Generating Plant and to follow the definition given in the Electricity Rule-2005.

This letter has been issued with the approval of Additional Chief Secretary, New & Renewable Energy Department.



(R. Birthal)  
Project Officer  
for Director General,  
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