

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION

(Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017, Dated: 16-11-2017 with amendment Dated: 07-05-2018

Sl. No	Description	Summary		
1.	Control Period/Review Period	The control period for the small hydro projects under these Regulations shall start from the 1 st October, 2017 and shall end on the 31st March, 2019.		
2.	Tariff Period	The duration of tariff period in case of small hydro projects shall be 40 years and for other renewable technologies, the Commission may fix the same.		
3.	Tariff Design	The single part (Fuel Cost) levelled tariff structure shall be followed for the renewable energy technologies.		
4.	Capital Cost	Sr. No.	Category of small hydro project	Rupees in Lac per MW
		1.	Above 100 kW to 2 MW capacity	880
		2.	Above 2 MW to 5 MW capacity	850
		3.	Above 5 MW to 25 MW capacity	800
5.	Debt Equity Ratio	1. The normative debt equity ratio shall be 70:30. 2. In case the equity deployed is equal to or below the normative level of 30%, the actual equity would be used for determination of Return on Equity in tariff computations.		
6.	Loan Tenure	13 Years		
7.	Return on Equity	The normative return on Equity shall be 17% per annum on pre tax basis and shall not be subject to any adjustment on account of any taxes, or changes in the tax rates, under the Income Tax Act.		
8.	Rebate	For payment of bills through letter of credit, a rebate of 2% shall be allowed. Where payments are made other than through letter of credit within a period of one month of presentation of bills by the renewable energy generator, a rebate of 1% shall be allowed.		
9.	Late Payment Surcharge	Late payment surcharge at the simple interest rate of 1.25% per month shall be levied by the renewable energy generator for the actual number of days by which the payment is delayed.		
10.	Capacity Utilisation Factor	Capacity utilisation factor (CUF) for all the small hydro projects upto 25 MW shall be 55%.		
11.	Auxiliary Consumption	Normative auxiliary consumption and transformation losses for the small hydro projects shall be 0.5%.		
12.	Operation and Maintenance Expenses	Sr. No.	Category of Project	Annual O&M expenses Rupees in Lac per MW
		1.	Above 100 kW to 2 MW capacity	33
		2.	Above 2 MW to 5 MW capacity	29
		3.	Above 5 MW to 25 MW capacity	24

