

# KERALA STATE ELECTRICITY REGULATORY COMMISSION

**(Power Procurement from Renewable Sources by Distribution Licensee)**  
**Regulations, 2006, Dated: 24-06-2006 with amendment**  
**Dated: 18-11-2008, 22-11-2010**

Sl. No.	Description	Summary		
1.	<b>Renewable Purchase Obligation</b>	<p>1. Each distribution licensee shall purchase a quantum of 3% from renewable energy sources expressed as a percentage of its total consumption during a year from SHP, Wind and from all other renewable sources and out of this 3%, 0.25% shall be from solar based plants.</p> <p>2. The Commission may review the quantum of purchase from renewable sources once in every 3 years.</p>		
2.	<b>Tariff fixation for Small Hydel Projects (SHP)</b>	<b>Sr. No.</b>	<b>Factors</b>	<b>Quantity</b>
		1.	Capital Cost	5.2Crores/MW shall be taken for small hydel projects including the cost of transmission lines/substation upto the interconnection point of the grid.
		2.	Plant Load Factor	30%
		3.	Auxiliary Consumption	0.5%
		4.	Operation & Maintenance Expenses	1.6% of Capital expenditure
		5.	Debt-Equity Ratio	70:30
		6.	Return on Equity	14%
		7.	Interest Rate	12%
		8.	Interest on Working Capital	12%
		9.	Depreciation	up to 90% of cost of plant depreciation rate is 3.6% per annum
		10.	Loan Period	10 Years
		11.	Tariff	Single Part Tariff
		12.	Minimum Alternate Tax (MAT)	10.1% of ROE
		13.	Tariff applicable	The levelised tariff at 12% discount rate for 25 years shall be Rs.2.94/unit. The developers shall provide energy at a levelised rate of Rs.2.94/unit for 25 years
3.	<b>Wind Electricity Generating Plants</b>	<b>Sr. No.</b>	<b>Factors</b>	<b>Quantity</b>
		1.	Capacity Utilisation Factor	22%
		2.	Auxiliary Consumption	0.5%
		3.	Life of Plant	20 Years
		4.	Depreciation Rate	4.5%

		5.	Operation and Maintenance	1.3% of capital investment with escalation of 4%.
		6.	Interest cost on Long Term Debts	12%
		7.	Loan Repayment Period	10 Years
		8.	Return on Equity	14%
		9.	Interest on Working Capital	12%
		10.	Minimum Alternative Tax (MAT)	10.1% of ROE.
		11.	Tariff	The levelised tariff at 12% discount rate for 20 years shall be Rs.3.64/unit.(Single Part Tariff )