

JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES
GURGAON

Quorum

Shri. MK Goel, Chairperson
Smt. Neerja Mathur, Member

Suo-Moto Petition No.: 211/2016
Date of Order:31.12.2018

In the matter of:

Extension of the Control Period and the applicable Solar tariff in respect of the Joint Electricity Regulatory Commission (Grid Connected Solar Power Regulations)-2015.

Order

The Commission framed the Joint Electricity Regulatory Commission (Grid Connected Solar Power Regulations)-2015, which were notified and came into force on 15.5.2015. (hereinafter referred to as the "**Solar Regulations 2015**"). As per Clause 7a of these Regulations-

"These Regulations shall remain in force for 3 (three) years unless reviewed / revised earlier or extended by the Commission,"

1.2 Accordingly, as the term of these Solar Regulations 2015 was to expire on 14.05.2018, the Commission initiated the process of reviewing/revising the same so as to incorporate the immediate necessary changes that has happened in the Renewable sector, particularly Solar Power Generation.

1.3 While undergoing the review process, it was felt that the relevant provisions of Solar Regulations framed by other Regulatory Commissions may also be examined before finalising the JERC Solar Regulations for the

next control period. It was also decided to incorporate other sources of power generation from Renewable in the new Regulations and hence to undertake a comprehensive review of these regulations with the objective of improvement in the Principles, Procedures and methodologies in terms of Clause 60 of the said Regulations.

1.4 As the detailed process of review/revision of the Solar Regulations is taking more time besides the time taken to notify the Solar Regulations for the next Control period, the Commission has decided to extend the Control Period of the Solar Regulations 2015 from 15.5.2018 to 14.5.2019 or till the new Regulations are notified by the Commission, whichever is earlier.

2. As per Clause 13 of the Solar Regulations 2015-

“The Generic Tariff for Solar Power Projects as determined by the Commission for a specific year shall be applicable”.

2.2 The Commission has fixed the Generic Tariff for the Solar Power Projects commissioned during each of the FY 2015-16 and FY 2016-17 & FY 2017-18 respectively. Further, Clause 7b of the Solar Regulations 2015 empowers the Commission to review the tariff parameters for each of the Financial years as follows:

“The tariff Fixation Parameters may be reviewed for each financial year (called the Review Period), to account for the effect of market dynamics which include, but not limited to:

The ceiling limit in respect of the Capital Cost, the interest rate and the other market related parameters for the Solar Tariff Determination.”

2.3. During the examination and detailed review of the existing solar regulations vis-a-vis the prevailing scenario in the Renewable sector, it is

observed that there have been huge variations in the Capital cost of Solar Panels etc. indicating downward trend. Moreover changes have also been there in the financial market and the technical parameters. Furthermore there have been other Renewable power generation sources also like wind, bio mass, wave energy, which have not been dealt with in the existing regulations and needs to be addressed in the new regulations. It is therefore felt that comprehensive Renewable power generation Regulations be prepared to facilitate and promote the investors in the Renewable sector.

2.4 So far as the applicable Solar tariff during the extended Control Period is concerned, the Commission is of the view that continuing the same existing Solar tariff or fixing the Solar tariff based on the Average Power Procurement Cost and Renewable Energy Certificate Rate will either jeopardise the interest of the investors or the consumer as the applicable tariff shall be fixed for a period of 25 years.

2.5 Hence, the Commission has decided to determine and approve the Project Specific Tariff till the new comprehensive regulations are framed in public interest in terms of Clause 58 of the existing regulations, which empowers the Commission to deviate from the provisions of the existing regulations. The Commission shall look into the methodology of various parameters in reference to the existing regulations; and, cost in reference to the present scenario subject to justification by the Investor / generator for approving the Project Specific Tariff.

2.5 Now, therefore in exercise of the powers vested in the Commission under the Electricity Act, 2003, the Commission passes this Order to be applicable till 14 May 2019 or till the new Regulations comes into force, whichever is earlier.

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(Neerja Mathur)
Member

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Rakesh Kumar
Secretary

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(M.K. Goel)
Chairperson