

# KERALA STATE ELECTRICITY REGULATORY COMMISSION

**(Renewable Energy and Net Metering) Regulations, 2020, Dated: 07.02.2020**

Sl. No.	Description	Summary			
1.	<b>Control Period</b>	5 - Years			
2.	<b>Applicability</b>	These Regulations shall apply to all the existing and new, Grid Interactive Renewable Energy Systems, consumers, prosumers, captive consumers, captive generating plants, generating companies, distribution licensees and obligated entities, in the matter of Determination of Tariff of Renewable Energy, Renewable Purchase Obligation, Net Metering, Banking, Generation Based Incentives and related matters.			
3.	<b>Obligation to purchase renewable energy</b>	Distribution licensees, Captive Consumer and Open access consumer in the State of Kerala shall have the obligation to generate and/or in the alternative to purchase the quantum of renewable energy as specified in the Table below:			
		<b>Year</b>	<b>Quantum of purchase (in %) from Renewable Energy Sources (in terms of energy in KWh)</b>		
			<b>Non Solar</b>	<b>Non Solar</b>	<b>Non Solar</b>
		2019-20	8.00	4.00	12.00
		2020-21	9.00	5.25	14.25
2021-22	10.25	6.75	17.00		
4.	<b>Renewable Purchase Obligation (RPO) of the Distribution licensee</b>	<ul style="list-style-type: none"> <li>• Every distribution licensee shall meet the renewable energy obligation at the percentage specified in Table 1 above. For the purpose of computing the total energy consumption within the area of the distribution licensee, the quantum of energy met from large hydro sources of power with capacity above 25 MW, commissioned on or before 08.03.2019 shall be deducted.</li> <li>• The solar energy generated or purchased in excess of solar renewable purchase obligation may be accounted towards the non-solar renewable purchase obligation.</li> <li>• The quantum of electricity generated by a person who is not an obligated entity but utilizing the grid interactive renewable energy system of the distribution licensee shall be accounted towards the renewable purchase obligation of the distribution licensee, provided that the distribution licensee; <ul style="list-style-type: none"> <li>➤ purchases such electricity at preferential tariff; or at a tariff discovered through competitive bidding process; or</li> <li>➤ afford to such person the benefit of banking facility for the renewable energy generated by him.</li> </ul> </li> <li>• The quantum of electricity generated by a person who is an obligated entity, using grid interactive renewable energy system and consumed by him in excess of his renewable purchase obligation, may be accounted towards the renewable purchase obligation of a distribution licensee, provided the distribution licensee affords to such person, the benefit of banking facility for such electricity.</li> <li>• The distribution licensee shall submit to the Commission, the proposed quantum of purchase of renewable energy from the solar sources and from the non-solar sources, separately in its petition for the approval of the Aggregate Revenue Requirement and Expected Revenue from Charges, for each financial year of the control period.</li> </ul>			
5.	<b>Renewable Purchase Obligation of the Captive consumer</b>	1. Every captive consumer who owns a captive generating plant based on conventional fossil fuel, (except the consumers having standby generating sets, having capacity of and below 100 kW, or having stand by generating sets with plant load factor less than 10% irrespective of capacity of generating set) shall meet the quantum of renewable energy not less than the percentage specified in these Regulations, of its total captive consumption.			

		<p>2. A captive consumer who produces and consumes energy from his co-generation plant, is not required to meet their Renewable Purchase Obligation, for the quantum of energy generated and consumed from such co-generation plant.</p>
6.	<b>Renewable Purchase Obligation of the Open Access consumer</b>	<ul style="list-style-type: none"> <li>• Every open access consumer shall meet the quantum of renewable energy not less than the percentage specified in Table 1 above, of the total energy availed by it through open access.</li> <li>• The renewable purchase obligation of an open access consumer shall be based on the total energy purchased through open access including the energy purchased from renewable sources, if any.</li> </ul>
7.	<b>Preference for the purchase from the renewable energy generating units within the State</b>	<ul style="list-style-type: none"> <li>• Every distribution licensee shall purchase the quantum of renewable energy required to meet its renewable purchase obligation preferentially from the renewable energy generating units within the State if available, with the prior approval of the Commission, and at the tariff approved by the Commission.</li> <li>• Considering the environmental concerns, the distribution licensee shall necessarily purchase the electricity generated from municipal solid waste, with the prior approval of the Commission at the tariff approved by the Commission.</li> </ul>
8.	<b>Purchase of Renewable Energy Certificates under the REC Regulations</b>	<ul style="list-style-type: none"> <li>• If any obligated entity fails to satisfy fully its renewable purchase obligation during any financial year, it shall purchase certificates to make good such short fall. Subject to the terms and conditions in these Regulations, the certificates shall be the valid instruments for the discharge of the mandatory renewable purchase obligation of an obligated entity.</li> <li>• If the quantum of renewable energy generated or purchased from solar sources by an obligated entity falls short of its solar renewable purchase obligation during any financial year, such obligated entity shall purchase the solar certificates, to make good such shortfall.</li> <li>• If the quantum of renewable energy generated or purchased by an obligated entity falls short of its non-solar renewable purchase obligation, during any financial year, such obligated entity shall purchase non-solar certificates or solar certificates, to make good such short fall.</li> <li>• The obligated entity, shall within two months after the end of every financial year, report the compliance of its Renewable Purchase Obligation of the respective year, including the details of the renewable energy certificates, if any, purchased for meeting the RPO and if directed by the Commission produce the same for verification and ascertaining the compliance.</li> </ul>
9.	<b>Effect of default</b>	<ul style="list-style-type: none"> <li>• In case any obligated entity fails to comply with its renewable purchase obligation as provided in these Regulations during any financial year and fails to purchase the required number of certificates, the Commission may by order, direct such obligated entity to deposit into a separate fund, to be created and maintained by such entity in accordance with the directions issued by the Commission, such amount as the Commission may determine on the basis of the shortfall in the renewable purchase obligation and the forbearance price thereof.</li> <li>• The fund so created shall be utilized in such manner as may be directed by the Commission for the purchase of Certificates or for such other purposes for promoting the renewable energy within the State.</li> <li>• The Commission may authorize the State Agency to procure, out of the amount in the fund, the required number of Certificates from the power exchange, to make good the shortfall in the renewable purchase obligation of such obligated entity.</li> </ul>
10.	<b>Power to review the RPO and to grant permission to carry forward the short fall in renewable purchase obligation</b>	<ul style="list-style-type: none"> <li>• The obligated entity may, in the case of genuine difficulty in complying with its renewable purchase obligation in full in any financial year, apply to the Commission for permission to carry forward to the next financial year, the short fall in its renewable purchase obligation.</li> <li>• Where the Commission has granted permission to carry forward to the next financial year, the short fall in its renewable purchase obligation during that financial year, as per orders issued under these Regulations, no proceedings for noncompliance of RPO under these Regulations shall be initiated against such Obligated Entity.</li> </ul>

<b>Grid Interactive Renewable Energy System under Net Metering Facility</b>		
<b>11.</b>	<b>Applicability</b>	<ul style="list-style-type: none"> <li>• Grid interactive Distributed Solar Energy Systems.</li> <li>• Ground mounted solar energy systems.</li> <li>• Hybrid solar power plant.</li> <li>• Renewable energy system with battery storage facility.</li> <li>• Any other Renewable Energy Systems, installed at the premises of an eligible consumer.</li> </ul>
<b>12.</b>	<b>General Conditions</b>	<ul style="list-style-type: none"> <li>➤ The Grid Interactive Renewable Energy Systems, installed by a prosumer at his premise under these Regulations shall be: <ul style="list-style-type: none"> <li>➤ of not less than one kW and not exceeding 1000 kW capacity on AC side of the inverter connected to the net meter of the distribution system, limited to the sanctioned connected load or contract demand as applicable to the prosumer, with the distribution licensee located within the premises of the eligible consumer;</li> <li>➤ the domestic consumers with connected load up to 20 kW is permitted to install 'Renewable Energy System' of capacity up to 20 kW, irrespective of their connected load. The maximum capacity that can be installed by a single phase domestic consumer shall be limited to 5 kW but it shall not apply in the case of group housing societies and residential flats, for common services such as lift, common lighting, club house, car parking, common areas etc.</li> </ul> </li> <li>➤ The grid interactive renewable energy system under net metering installed at the premise of the eligible individual prosumer shall utilize the same service line and installation for injection of excess power into the grid. <ul style="list-style-type: none"> <li>➤ Maximum capacity that can be installed by a single phase consumer shall be limited to 5 kW.</li> </ul> </li> </ul>
<b>13.</b>	<b>Connectivity</b>	The cumulative capacity of distributed energy systems allowed to be interconnected with the distribution network shall not exceed 75 % of the distribution transformer capacity as the case may be.
<b>14.</b>	<b>Inter connection with the Grid, technical Standards and Safety</b>	The interconnection of the renewable energy system with the distribution system of the licensee shall conform to the specifications and standards as provided in the Central Electricity Authority (Technical Standards for connectivity of the Distributed Generation Resources) Regulations, 2013 and to the relevant provisions of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended from time to time.
<b>15.</b>	<b>Metering Arrangement</b>	<ul style="list-style-type: none"> <li>• All meters shall comply with the CEA (Installation and Operation of Meters) Regulations, 2006 and subsequent amendments thereof.</li> <li>• The distribution licensee shall make available correct Net meter and Renewable energy meter to the eligible consumer who proposes to install a renewable energy system in his premises.</li> <li>• The licensee may collect the security deposit and rent for the renewable energy meter and net meter if provided by the licensee, at the rates approved by the Commission from time to time.</li> </ul>
<b>16.</b>	<b>Use of excess electricity generated from renewable sources in another premise</b>	<ul style="list-style-type: none"> <li>• The prosumer shall have the right for wheeling the excess electricity during a billing period, to use such excess electricity in another premises owned by him within the area of supply of the distribution licensee subject to the following conditions,- <ul style="list-style-type: none"> <li>➤ the right of wheeling and consumption of excess electricity shall be available to the eligible consumer irrespective of the category of tariff in the other premises;</li> <li>➤ such right for wheeling the excess electricity shall be available for the use in his second premises only after the eligible consumer meets his full demand in the premises, where the electricity is generated using renewable energy system;</li> <li>➤ The quantum of excess electricity wheeled shall be calculated based on these Regulations and accounted in subsequent bills of the other premise.</li> </ul> </li> <li>• The prosumer shall apply to the licensee for availing the wheeling facility as per these Regulations, with necessary particulars of such other premises where, such excess electricity generated by the renewable energy system installed in one of his premises, is proposed</li> </ul>

		<p>to be used.</p> <ul style="list-style-type: none"> <li>• The prosumer has to bear the applicable wheeling charges, and distribution losses, as approved by the Commission from time to time for the quantum of excess renewable energy wheeled from one of his premise to another premise.</li> <li>• The electricity generated by an eligible consumer using the renewable energy system installed in his premises and wheeled to another premise under this Regulations, shall be exempted from payment of cross subsidy surcharges.</li> </ul>
17.	<b>Banking facility for prosumers</b>	<ul style="list-style-type: none"> <li>• In case the energy injected by the prosumer from his renewable energy system exceeds the energy consumed by him from the distribution licensee during the billing period, such excess energy is allowed to be banked with the distribution licensee and to be carried forward to the subsequent billing periods of the settlement period.</li> <li>• The distribution licensee is permitted to account the energy generated from above such renewable energy system installed by the prosumer towards its RPO.</li> </ul>
18.	<b>Net metering, Energy Accounting, Banking and Settlement</b>	<ul style="list-style-type: none"> <li>• The distribution licensee shall take the meter reading of the 'renewable energy system' regularly for each 'billing period' and record the readings of both the renewable energy meter and the net meter.</li> <li>• For each billing period, the distribution licensee shall make the following information available in its bill to the prosumer: <ul style="list-style-type: none"> <li>➤ Time block wise (normal hours, peak hours and off-peak hours) Renewable energy generation recorded in the energy meter for the prosumers with connected load above 20 kW, and total generation from the RE system for the prosumers with connected load 'of and below 20kW'.</li> <li>➤ Net billed electricity, if any, for which a payment is to be made by the prosumer;</li> <li>➤ Excess electricity brought forward from the last billing period;</li> <li>➤ Excess electricity carried forward to the next billing period.</li> </ul> </li> <li>• The energy accounting, banking and settlement of energy generated, drawn and injected by a prosumer with connected load of and below 20 kW shall be done as below: <ul style="list-style-type: none"> <li>➤ The distribution licensee, during a billing period shall extend the facility to the prosumer having connected load of and below 20 kW under net metering arrangements, to draw back from the grid, the electricity injected during a time block at a different time period without any restriction.</li> </ul> </li> <li>• Accounting and settlement of energy generated, drawn and injected by the prosumer having connected load above 20 kW: <ul style="list-style-type: none"> <li>➤ The electricity injected from the renewable energy system in a time period during a billing period shall be first set off against the electricity consumed during the same time period.</li> <li>➤ Any excess generation over consumption in that time period during the billing period shall thereafter be set-off against other time period.</li> </ul> </li> <li>• The licensee shall pay to the prosumer for the net electricity balance in his account at the end of the settlement period, at the Average Power Purchase Cost (APPC) approved by the Commission.</li> <li>• The prosumer is exempted from the payment of transmission charges, wheeling charges, cross subsidy surcharges for the electricity generated and consumed at the same premises from the renewable energy system under net metering facility.</li> </ul>
	<b>Prosumers having capacity more than 1 MW, Captive Consumers and Independent Power Producers</b>	
19.	<b>Applicability</b>	<ul style="list-style-type: none"> <li>• A prosumer having Renewable Energy Systems with installed capacity more than 1 MW at his premise for his own use;</li> <li>• Renewable Energy Systems installed by a Captive consumer, at a different location, but within the area of the distribution licensee for his own use, and,</li> <li>• Renewable energy system installed by a Renewable Energy Generator as an Independent power producer, for third party sale using the transmission and/or distribution system of the utility.</li> </ul>

20.	<b>Connectivity</b>	<ul style="list-style-type: none"> <li>The distribution licensee or the State transmission utility, as the case may be, shall on demand, provide connectivity for the renewable energy generation system, as per the provisions, specified in KSERC (Connectivity and Intra State Open Access) Regulations, 2013, as amended from time to time.</li> <li>The Net meter and Renewable energy meter installed shall conform to the standards, specifications and accuracy class, as provided in the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time and be installed in such a way that they are accessible for reading.</li> </ul>
21.	<b>Metering system</b>	<ul style="list-style-type: none"> <li>The Renewable Energy Generator/ Captive Generating plant, the captive consumer and the open access customer as the case may be, shall install Special Energy Meters (SEM) as specified in the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time, for accounting the quantum of energy generated, the quantum of energy injected into the transmission and/or distribution system and the quantum of energy consumed.</li> <li>Special Energy Meters shall be open for inspection by any person authorized by the STU or the State Load Despatch Centre or the distribution licensee, as the case may be.</li> </ul>
22.	<b>Open Access</b>	<ul style="list-style-type: none"> <li>Any person generating electricity from renewable sources of energy, shall have the right for open access to the distribution system/ transmission system of the licensee/ STU in the State, for transmitting and/or wheeling the renewable energy, subject to the terms and conditions specified as follows: <ul style="list-style-type: none"> <li>Open Access shall be granted as per the provisions under KSERC (Connectivity and Intra State Open Access) Regulations, 2013.</li> </ul> </li> <li>The Renewable Energy Generator shall follow the Indian Electricity Grid Code 2010, Kerala State Grid Code and the relevant CERC/ KSERC Regulations and procedures for forecasting, scheduling and dispatch of renewable energy, as amended from time to time.</li> </ul>
23.	<b>General Conditions and charges applicable for the use of the transmission and distribution system by a prosumer, having a Renewable Energy System with capacity more than 1 MW at the same premise for his own use</b>	<ul style="list-style-type: none"> <li>5% of the energy injected into the grid of the transmission and/or the distribution licensee shall be accounted towards 'grid support charges' and the balance 95% shall be treated as net energy.</li> <li>If the net energy during a time period (normal hours, peak hours and off-peak hours) in a billing period is fully consumed by the captive consumer during the same time period (normal hours, peak hours and off-peak hours) in that billing period itself, for such quantum of renewable energy, the prosumer is exempted from the payment of transmission charges, wheeling charges and, losses in transmission system and distribution system approved by the Commission.</li> <li>The licensee shall pay, within one month, for the net surplus energy available at the credit of the prosumer at the end of the settlement period as per these Regulations, at the Average Pooled Power Purchase Cost (APPC) of the licensee approved by the Commission, from time to time.</li> <li>The prosumer, who installed the Renewable Energy System at the same premise is exempted from the payment of transmission charges, wheeling charges, transmission losses and distribution loss for the quantum of energy generated from the RE plant and adjusted against his consumption during the settlement period, in the same premises.</li> </ul>
24.	<b>General Conditions and charges applicable, for the use of the transmission and distribution system by a Captive Consumer</b>	<p>Any captive consumer, using the transmission and/or distribution system of the licensee for wheeling the energy generated from the Renewable Energy System to a different location within the State, shall pay the following charges approved by the Commission from time to time:</p> <ul style="list-style-type: none"> <li>Transmission charges</li> <li>Wheeling charges</li> <li>Transmission losses and Distribution losses, and</li> <li>Any other charges approved by the Commission.</li> </ul> <ul style="list-style-type: none"> <li>Captive consumers who maintain the contract demand with the distribution licensee are required to pay transmission charges only on per unit basis at the rates as approved by the Commission from time to time.</li> <li>If the net energy, after deducting the approved transmission and/or distribution loss, injected from the renewable energy system during a</li> </ul>

		<p>time period (normal hours, peak hours and off-peak hours) in a billing period is fully consumed by the captive consumer during the same time period (normal hours, peak hours and off-peak hours) in that billing period itself, for such quantum of electricity, the captive consumer is exempted from the banking charges.</p> <ul style="list-style-type: none"> <li>The licensee shall pay, within one month, for the net surplus energy available at the credit of the prosumer at the end of the settlement period as per sub Regulation (4) above, at the Average Pooled Power Purchase Cost (APPC) of the licensee approved by the Commission, from time to time.</li> </ul>
25.	<b>General Conditions and charges applicable, for usage of the transmission and distribution system by an independent renewable power generator/ open access consumer</b>	<ul style="list-style-type: none"> <li>consumer purchasing power from an independent renewable power generator or a Renewable Power Generator supplying power to a third party by availing open access of the distribution system of a licensee shall pay to the licensee the following charges approved by the Commission from time to time,- <ul style="list-style-type: none"> <li>➤ Transmission charges;</li> <li>➤ Wheeling charges;</li> <li>➤ Cross subsidy surcharges;</li> <li>➤ Transmission losses and Distribution losses; and</li> <li>➤ Any other charges approved by the Commission.</li> </ul> </li> <li>All other terms and conditions specified in the KSERC (Connectivity and Intra State Open Access) Regulations, 2013 is applicable for the IPPs and open access consumers who intent to avail open access in the transmission system and/or distribution system of the licensee.</li> </ul>
26.	<b>Accounting and settlement of Renewable Energy consumed by prosumer/ captive consumer</b>	<ul style="list-style-type: none"> <li>For each billing period, the distribution licensee shall, record the reading at the 'renewable energy meter' and the 'consumer meter' regularly for each of the time period.</li> <li>In case the energy drawn by the prosumer/captive consumer is more than the net energy injected from the RE plant after the adjustments for charges specified in these Regulations, the distribution licensee shall raise a bill for the energy drawn from the grid at the prevailing tariff, after taking into account any excess electricity carried forward from the previous billing period;</li> <li>The licensee shall pay for the net electricity banked by the prosumer/ captive consumer at the end of the settlement period, at the Average Power Purchase Cost (APPC) approved by the Commission;</li> <li>No carry forward of banked electricity shall be done beyond the settlement period.</li> <li>Open access consumers and independent Renewable Power Generators shall be liable to pay transmission charges and/or wheeling charges, transmission losses and distribution losses, cross subsidy surcharges and other levies, as approved by the Commission from time to time.</li> </ul>
27.	<b>Renewable Energy Certificate Scheme</b>	Any person generating electricity from renewable sources of energy is eligible for the benefits of 'Renewable Energy Certificate mechanism (REC)' as provided under REC Regulations.
28.	<b>Norms for determination of tariff</b>	The norms and parameters specified in this Regulation shall be the ceiling norms and shall not prevent the generator and the distribution licensee from mutually agreeing for more economic norms than that specified in these Regulations.
29.	<b>Control Period or Review Period</b>	<p>5 – Years</p> <p>In case the Regulations for the next Control Period are not notified until the commencement of next Control Period, the Commission may provisionally adopt the principles, norms and parameters notified by the Central Commission for the period concerned.</p>
30.	<b>Generic Tariff for the Electricity Generated from Renewable Sources of Energy</b>	<ul style="list-style-type: none"> <li>Solar Photo Voltaic (PV) of capacity of and below 5 MW at a location,</li> <li>Wind Energy of capacity of and below 25 MW at a location,</li> <li>Small Hydro Electric plants having capacity of and below 5 MW. <ul style="list-style-type: none"> <li>➤ For claiming the generic tariff applicable to the wind energy projects in a wind zone, the project developer shall submit necessary and sufficient details for classification of the project into a particular Capacity Utilization Factor (CUF) based on Annual Mean Wind Power Density (W/m<sup>2</sup>) validated by the National Institute of Wind Energy.</li> </ul> </li> </ul>

31.	<b>Principles for the dispatch for Electricity Generated from Renewable Energy Sources</b>	<ol style="list-style-type: none"> <li>All the renewable energy power plants, unless and otherwise exempted, shall be treated as 'MUST RUN' power plants and shall not be subjected to 'Merit order Dispatch' principles.</li> <li>Scheduling of Renewable Energy plants shall be governed by KSERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019 and its amendments from time to time.</li> </ol>
32.	<b>Debt Equity Ratio</b>	<p>70:30</p> <ul style="list-style-type: none"> <li>If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan.</li> <li>If the equity actually deployed is less than 30% of the capital cost, the actual equity deployed shall be considered for determination of project specific tariff.</li> <li>The equity invested in foreign currency shall be designated in Indian Rupees on the date of each investment.</li> </ul>
33.	<b>Loan Tenure</b>	13 – Years
34.	<b>Interest Rate</b>	A normative interest rate of two hundred (200) basis points above the average State Bank of India Marginal Cost of Funds based Lending Rate (MCLR) (one year tenor) prevalent during the last available six months shall be considered for allowing interest during loan tenure.
35.	<b>Depreciation</b>	<ul style="list-style-type: none"> <li>The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.</li> <li>Depreciation rate of 5.28% per annum for first 13 years and remaining depreciation to be spread over the remaining useful life of the RE assets considering the salvage value of the project as 10% of project cost shall be considered.</li> </ul>
36.	<b>Return on Equity</b>	The normative Return on Equity shall be 14% on the normative equity.
37.	<b>Interest on Working Capital</b>	Interest on Working Capital shall be at interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.
38.	<b>Rebate</b>	<ul style="list-style-type: none"> <li>If the payment of bills for charges payable under these Regulations is made by the distribution licensee to the renewable generator within five days of presentation of bills by the renewable generator, a rebate of 2% shall be allowed to the licensee.</li> <li>Where payments are made by the distribution licensee to the RE generator within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed to the licensee.</li> </ul>
39.	<b>Late payment surcharge</b>	In case the payment of any bill for charges payable under these Regulations is delayed beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the generating company.
40.	<b>Sharing of Clean Development Mechanism (CDM) Benefits</b>	<ul style="list-style-type: none"> <li>100% of the gross proceeds on account of CDM benefit to be retained by the project developer in the first year after the date of commercial operation of the generating station;</li> <li>In the second year, 10% of the CDM benefit shall be shared with the beneficiaries and the balance 90% of the benefit shall be retained by the project developer.</li> <li>In the third year onwards, the share of the beneficiaries shall be progressively increased by 10% every year till it reaches 50%, thereafter the proceeds shall be shared in equal proportion, by the generating company and the beneficiaries.</li> </ul>
41.	<b>Subsidy or Incentive by the Central / State Government</b>	The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation benefit if availed by the generating company, for the renewable energy power plants while determining the tariff under these Regulations.
42.	<b>Taxes and Duties</b>	The taxes and duties levied by the appropriate Government shall be allowed as "pass through" on actual incurred basis, subject to proof of payment.

43.	Capital Cost	SI. No.	Renewable Energy Technology	Capital Cost (Rs. lakh/ MW)
		1.	Wind Energy	575
		2.	Small Hydro Project	
			Below 5 MW	779
			5 MW to 25 MW	707
		3.	Solar PV Power Project	400
4.	Municipal Solid Waste/Refuse Derived Fuel and based on Ranking Cycle Technology	based on prevailing market trends		
44.	Capacity Utilization Factor/ Plant Load Factor	SI. No.	Renewable Energy Technology	CUF %
		1.	Wind Energy	
			upto 220	22
			221-275	24
			276-330	28
			331-440	33
			> 440	35
		2.	Small Hydro Project	30%
		3.	Solar PV Power Project	19%
		4.	Municipal Solid Waste/Refuse Derived Fuel and based on Ranking Cycle Technology	
			During the first year from the date of CoD	65%
			From 2nd year onwards	75%
45.	Operation and Maintenance (O&M) Expenses	SI. No.	Renewable Energy Technology	Capital Cost (Rs. lakh/ MW)
		1.	Wind Energy	based on prevailing market trends
		2.	Small Hydro Project	
			Below 5 MW	32.41
			5 MW to 25 MW	23.47
		3.	Solar PV Power Project	6.00
		4.	Municipal Solid Waste/Refuse Derived Fuel and based on Ranking Cycle Technology	based on prevailing market trends
<ul style="list-style-type: none"> <li>The Commission shall determine the O&amp;M Expenses based on the prevailing market information, and allowing an escalation rate of 5.72% over the previous year.</li> </ul>				
46.	Auxiliary Consumption	SI. No.	Renewable Energy Technology	Auxiliary Consumption
		1.	Small Hydro	1%
		2.	Solar PV	0.25%
		3.	Municipal Solid Waste/Refuse Derived Fuel and based on Ranking Cycle Technology	15%



47.	<b>Generation based incentives for off-grid solar schemes</b>	Generation based incentives as per the order of the Commission dated 11.11.2019 is available to the off-grid captive solar plants upto 30.09.2021.
48.	<b>Penalty or compensation for non compliance by the distribution licensee.</b>	<ul style="list-style-type: none"> <li>• In case of failure to meet timelines prescribed under these Regulations, penalty of Rs. 1000 per day for each day of delay shall be levied on the distribution licensee.</li> <li>• The penalty accrued during the year under these Regulations will be deducted from the Return on Equity of the distribution licensee for that year.</li> </ul>
49.	<b>Fee Schedule</b>	Application Fee: Rs1000.00 Registration Fee: Rs 1000/kW or part thereof.