

GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

Power Procurement from Renewable Sources

Notification No. **15** of 2005

In exercise of the powers conferred under section 86 (1)(e) of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that behalf, Gujarat Electricity Regulatory Commission hereby makes the following Regulations for promoting the sale of power from renewable sources to any person and power procurement from renewable sources by distribution licensee within the State of Gujarat.

1. Short Title, Extent and Commencement

- i. These Regulations may be called the Gujarat Electricity Regulatory Commission (power procurement from renewable sources) Regulations, 2005.
- ii. These Regulations extend to the whole of the State of Gujarat.
- iii. These Regulations shall come into force on the date of their publication in the Gazette.

2. Definitions and Interpretation

2.1 In these Regulations, unless the context otherwise requires: -

- i. "Act" means the Electricity Act, 2003 (Act 36 of 2003).
- ii. "Commission" means Gujarat Electricity Regulatory Commission.
- iii. "Distribution Licensee" means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.

- iv. "Quantum of purchase" means percentage share of purchase of electricity from renewable sources as specified in these regulations. The quantum would be the sum of all direct purchase from generation stations based on renewable sources and purchase from any other licensee, which would arise from renewable sources.
- v. "Renewable sources" in this context means non-conventional, renewable electricity generating sources such as mini-hydel, wind, solar, biomass (including sugar mill co-generation), urban/municipal waste, or other such sources as approved by the Ministry of Non-conventional Sources, GoI or Government of Gujarat.
- vi. "State" means the state of Gujarat.

Words and expressions used and not defined in these Regulations but defined in the Acts shall have the meanings assigned to them in the Acts. Expressions used herein but not specifically defined in these Regulations or in the Acts but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law. Expressions used herein but not specifically defined in the Regulations or in the Acts or any law passed by a competent legislature shall have the meaning as is generally assigned in the electricity industry.

2.2 Interpretation

In the interpretation of these Regulations, unless the context otherwise requires:

- a. words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- b. the terms "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" regardless of whether such terms are followed by such phrases or words of like import;
- c. references herein to the "Regulations" shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- d. the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- e. references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

3. Quantum of purchase of electricity from Renewable sources

As far as possible Renewable Energy available after the captive use and third party sale shall be purchased by GUVNL/Distribution licensees. The priority should be given for connectivity/transmission/wheeling of renewable energy through grid system.

3.1 Each Distribution Licensee shall purchase a defined minimum quantum of its total consumption of electricity during a year from renewable sources as per the schedule:-

Year	Minimum Quantum of purchase from renewable sources
2006-07	1.0%
2007-08	1.0%
2008-09	2.0%

3.2 Each Distribution Licensee shall indicate, along with sufficient proof thereof, the proposed quantum of purchase from renewable sources for the ensuing year in the ARR filing. The proposed quantum of purchase shall be as per clause 3.1 of this regulation of the approved power purchase quantity for the previous year. Due to increased sale of power in the ensuing year from that of the previous year, there may be a shortfall of the targeted quantum from the quantum that would arise from the increased sale. This amount would need to be added to the targeted quantum for the next year. However credit for excess sale would not be provided in the ensuing year.

3.3 While indicating the proposed quantum of purchase from renewable sources, the distribution Licensee shall indicate the sources from which it plans to purchase the specified quantum of purchase. The Distribution Licensee to the extent possible shall source the proposed quantum of electricity from renewable sources within his Area of supply.

- 3.4** In a situation where the Distribution Licensee is unable to purchase the required quantum within Area of supply due to shortage or non availability of such sources in any given year, to the extent of shortfall, the Distribution Licensee may purchase the quantum from renewable sources outside the Licensee's area of supply but within the State. Provided that the STU/SLDC/licensee shall make best efforts to strengthen the system to provide open access to transmit power from renewable sources.
- 3.5** While contracting new sources, priority shall be given to the date of commercial operation of the generating stations
- 3.6** The Commission may review the quantum of purchase from renewable sources by a distribution licensee once in every 3 years or at lesser intervals as may be necessary.
- 3.7** The Commission may waive the above minimum quantum targets for the year as per clause 3.1 of this regulation subject to supply constraints or any other uncontrollable factor in the opinion of the Commission, at the request of the Licensee.

4. Promotion of renewable sources of energy :

- 4.1** Any person generating electricity from renewable sources, irrespective of installed capacity shall have mandatory open access to any Licensee's transmission system and/or distribution system or grid as the case may be. On an application from such person, the transmission licensee or distribution licensee or STU shall provide appropriate interconnection facilities, as feasible, within the time period specified under the standards of performance regulations applicable to respective Licensees. Such interconnection shall

follow the grid connectivity Standards as may be specified by the Authority.

5. Determination of Tariff

- 5.1** The Commission shall determine the tariff for the purchase of electricity from renewable sources by a distribution licensee, provided that, the PPAs entered in to by GEB, prior to the notification of these regulations shall continue to apply for such period as mentioned in those PPAs, and thereafter provisions of these regulations shall apply.
- 5.2** The Commission shall determine tariff separately for each kind of renewable source. Provided where the tariff has been determined by following transparent process of bidding in accordance with the guidelines issued by the Central Government, as provided under Section 63 of the Act, the Commission shall adopt such tariff.
- 5.3** The Commission shall as far as possible be guided by the principles and methodologies if any specified by the CERC, National Electricity Policy and Tariff policy, while deciding on the terms and conditions of Tariff for renewable sources of energy. The Commission may deviate from the above by giving the reasons in writing in order to accommodate the specific nature of renewable sources.
- 5.4** While determining the tariff, the Commission may, to the extent possible consider to permit an allowance based on technology, fuel, market risk, environmental benefits and social contribution etc., of each type of renewable source.

5.5 While determining the tariff, the Commission shall adopt best practice normative parameters for financing cost, O&M and other expenses.

5.6 Such generator may inject power in the grid and will be paid for such injection of generation into grid at the UI rate as determined by SLDC.

6. Power to remove difficulties

6.1 The Commission shall suo motu or on an application from any person generating electricity from renewable sources or a Distribution Licensee may review these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

(P.S.Shah)

SECRETARY

Gujarat Electricity Regulatory Commission

Place: Ahmedabad

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