

**GUJARAT ELECTRICITY REGULATORY COMMISSION
AHMEDABAD**

SUO MOTO ORDER NO. 8 OF 2010

**In the matter of determination of tariff for procurement of Power by the
Distribution Licensees and others from Solar Energy Projects.**

CORAM:

**Dr P.K. Mishra, Chairman
Shri Pravinbhai Patel, Member (T)**

ORDER

1. In exercise of the powers conferred under sections 61(h), 62 (1)(a) and 86(1)(e) of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, the Gujarat Electricity Regulatory Commission (hereinafter referred to as “the Commission”) determines the tariff for procurement of power by Distribution Licensees in Gujarat from Solar energy projects.
2. The Commission had issued Order No. 2 of 2010 and determined tariff for procurement of power by the Distribution Licensees and others from Solar Energy Projects. The tariff was decided for the energy generated from Solar Photovoltaic (SPV) and Solar Thermal Power technology (STP).
3. The Commission had also decided that the tariff determined for Solar PV in order No. 2 of 2010 is also applicable for small roof-top Solar PV power plants connected to LT/11 KV grid.
4. Some of the project developers approached the Commission and represented that the guidelines for “Rooftop and other small solar power plants connected to distribution network (below 33 KV) issued by



Ministry of New Renewable Energy and Jawaharlal Nehru National Solar Mission covers both Solar PV and Solar Thermal Power Projects below 5 MW capacity”. According to above guidelines Solar Thermal Power Projects below 5 MW capacity also qualify for receiving tariff if Commission incorporates the same in order No. 2 of 2010.

5. We have carefully considered the above facts and are of the view that Solar Thermal Power Projects below 5 MW are also entitled to receive the benefits as envisaged in Jawaharlal Nehru National Solar Mission and accordingly decided to amend para 8 of the order No. 2 of 2010 dated 29.1.2010 as stated below.

“8 Solar Roof-top Power Projects and other small power plant connected to LT/11 KV grid (below 33 KV)

The Jawaharlal Nehru National Solar Mission, launched by the Government of India, envisages that roof-top solar PV power projects and other small solar power plants connected to LT/ 11KV grid, need to be encouraged to replace conventional power and diesel based generators. The Commission recognizes the need to encourage such roof-top and other small solar power projects. Accordingly, operators of such Solar PV roof-top project as well as other small Solar Power Projects, including Solar Thermal Power Projects will also be eligible to receive the tariff decided by the Commission in para 5 of this order. Alternatively, the project developers may also opt for the levelised tariffs of (i) Rs.12.54 per kWh for roof-top and other small solar PV projects and (ii) Rs. 9.29 per kWh for small Solar Thermal Power Project for life span of the project i.e. 25 years. As envisaged in the Solar Mission, the distribution utility will pay the tariff determined by the State Electricity Regulatory Commission for the metered electricity generated from such applications (whether consumed by the grid connected owner of the roof-top/ground mounted installation or fed into the grid). A normative Generation Based Incentive will be payable to the utility and would be derived as the difference between the solar tariff determined by the



Central Electricity Regulatory Commission for the solar generation technology less an assumed base price of Rs. 5.50/kWh for the projects commissioned during the year 2010-11. For the projects to be commissioned during subsequent years, the base rate shall be escalated at 3% per annum. However, the GBI determined for a project on the above basis shall remain constant over duration of 25 years. Funds will be disbursed through Indian Renewable Energy Development Agency (IREDA), a PSU under MNRE. The distribution utilities will be entitled to account such electricity generated and consumed within their license areas for fulfilment of RPO. The metering and billing arrangements between the utility and such solar power plants will be as per various regulations of the Commission”.

6. This order is a part of order No. 2 of 2010 dated 29.1.2010 and shall be in force from the date of this order.

7. We order accordingly.

Sd/-
(Dr P.K. Mishra)
Chairman

Sd/-
(Shri Pravinbhai Patel)
Member (T)

Place : Ahmedabad
Date : 31.08.2010

