

# TARIFF FRAMEWORK FOR PROCURMENT OF POWER BY DISTRIBUTION LICENSEES AND OTHERS FROM SOLAR ENERGY PROJECTS AND OTHER COMMERCIAL ISSUES FOR THE STATE OF GUJARAT



# **Gujarat Electricity Regulatory Commission**

6<sup>th</sup> Floor, GIFT ONE, Road 5-C, Zone 5, GIFT City, Gandhinagar-382355, Gujarat, India



# **Table of Contents**

Abb	reviations4
1.	INTRODUCTION
1.1	Background7
1.2	The Electricity Act, 20037
1.3	Electricity (Promoting RE through Green Energy Open Access) Rules, 20229
1.4	National Electricity Policy (NEP)9
1.5	Tariff Policy 201610
1.6	Gujarat Renewable Energy Policy 202313
1.7	GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 15
1.8	Renewable Purchase Obligation in Gujarat15
1.9	Discussion Paper on Solar Power Tariff Framework & Other Commercial issues 16
1.10	Public Hearing
2. VIEV	COMMENTS AND SUGGESTIONS ON PROPOSED TARIFF FRAMEWORK, AND COMMISSION'S
2.1	Clause 3.1: Tariff Framework
2.2	Clause 3. <mark>2 (a): Contr</mark> ol Period21
2.3	Clause 3.2. (e): Eligibility Criteria23
2.4	Clause 3. <mark>2 (f): Forecasting and Scheduling for Solar</mark> power:24
2.5	Clause 3.2 (g): Applicability of Merit Order Dispatch Principle26
2.6	Clause 3.3: Transmission and Wheeling Charges27
2.7	Clause 3.4 Metering Point & Interconnection Point36
2.8	Clause 3.8.: Banking Facility and Energy Accounting41
2.8.	1. Energy Accounting
2.9	Clause 3.9 Security Deposit & Delay in Commissioning of Solar Power Project46
2.10	Clause 3.10 Exemptions from Demand Cut48
2.11	Clause 3.11: Procedure for Integration of Solar Power project with the grid $48$
2.12	Clause 3.12: Commissioning of the Solar Power project
3.	TARIFF FRAMEWORK, GENERAL PRINCIPLES AND OTHER COMMERCIAI
CON 3.1	Tariff Framework
3.2	General Principles
3.3	Transmission and Wheeling Charges54
3.4	
<b>3.4</b>	Metering Point & Interconnection Point57



3.5	Operation and Maintenance of dedicated lines	59
3.6	Pricing of Reactive Power	59
3.7	Sharing of Clean Development Mechanism (CDM) Benefits	59
3.8	Banking facility & Energy Accounting	60
3.8.1	Energy Accounting	61
3.9	Security Deposit	63
3.10	Procedure for Integration of Solar Power Project with the Grid	65
3.11	Commissioning the Solar Power Project:	67
	ETERMINATION OF TARIFF FOR SOLAR POWER PROJECTS BELOW THE THRI	
4.1	Benchmark Capital Cost	69
4.2	Operation & Mai <mark>ntenance Cost</mark>	70
4.3	Capacity Utilization Factor	
4.4	Debt Equity Ratio	
4.5	Interes <mark>t on term loan and Loan tenure</mark>	71
4.6	Depreciation	
4.7	Working Capital and Interest on Working Capital	
4.8	Return on Equity	72
4.9	Discount Rate	
4.10	Accelerated Depreciation	74
4.11	Computa <mark>tion of generic tar</mark> iff for Solar Power <mark>Projects</mark> below <mark>thr</mark> eshold limit	
	(below 5 MW) for New Control Period	
Annex	cure I	77
	f Stakeholders communicated their views/comments/suggestions on the Dis	
Annex	cure II	78
	f Stakeholders who attended the Public Hearing on 08.04.2024 and submitte	
views	/comments/suggestions on the subject matter	78

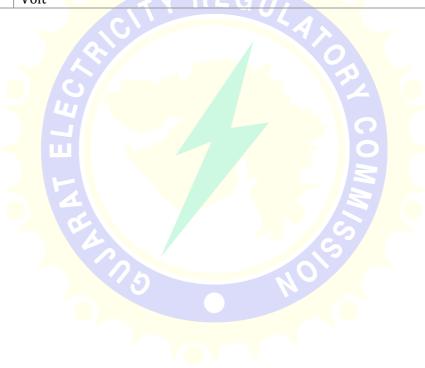


# **Abbreviations**

%	Percentage
ABT	Availability-Based Tariff
AC	Alternating Current
APPC	Average Pooled Purchase Cost
CBG	Competitive Bidding Guidelines
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CER	Certified Emission Reduction
CERC	Central Electricity Regulatory Commission
COD	Commercial Operation Date
CPSU	Central Public Sector Undertaking
CUF	Capacity Utilization Factor
DISCOM	Distribution Companies
DC	Direct Current
FY	Financial Year
GEDA	Gujarat Energy Development Agency
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Ltd.
GoG	Government of Gujarat
GoI	Government of India
GUVNL	Guj <mark>arat U</mark> rja Vikas Nigam Limited
IREDA	Indian Renewable Energy Development Agency
ISTS	Inter-State Transmission System
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt hours
kVARh	Kilo Volt Ampere Reactive Hour
M	Meter
MNRE	Ministry of New and Renewable Energy
MW	Mega Watt
MWh	Mega Watt hour
NEP	National Electricity Policy
NTP	National Tariff Policy
0&M	Operation and Maintenance
PPA	Power Purchase Agreement



PSA	Power Supply Agreement
PV	Photovoltaic
R&D	Research & Development
RE	Renewable Energy
REC	Renewable Energy Certificate
RfS	Request for Selection
RPO	Renewable Purchase Obligation
Rs	Rupees
RTC	Round the Clock
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulat <mark>ory Commissi</mark> on
T&D	Transmission & Distribution
V	Volt REG//





# Order No. 06 of 2024

# In the matter of:

Tariff Framework for Procurement of Power by Distribution Licensees and Others from Solar Energy Projects and Other Commercial issues for the State of Gujarat.

Date of the Order: 31/08/2024

# **CORAM:**

Anil Mukim, Chairman Mehul M. Gandhi, Member S. R. Pandey, Member



# 1. INTRODUCTION

# 1.1 Background

In exercise of the powers conferred under Sections 3 (1), 61 (h), 62 (1) (a), and 86 (1) (b)& (e) of the Electricity Act, 2003, National Electricity Policy, 2005, and Tariff Policy, 2016 and all other powers enabling it in this behalf, the Gujarat Electricity Regulatory Commission (GERC or Commission) presents this Order on the tariff framework for Procurement of Power by Distribution Licensees and others from Solar Energy Power Projects for the State of Gujarat. The provisions of this Order shall be applicable for Solar Energy Power Projects commissioned post 31<sup>st</sup> March 2023 upto the control period specified in this Order.

The Commission previously had issued Order No. 03 of 2020 dated 08.05.2020 read with Suo Motu Order No. 06 of 2020 dated 05.08.2020 and Orders dated 11.06.2021 & 06.07.2021 in the Petition No. 1936 of 2021 with regard to "Tariff framework for procurement of power by distribution licensees and others from Solar Energy Projects and other commercial issues for the State of Gujarat". The said Orders provides that it shall be applicable to the project commissioned during the Control Period specified in the Order i.e. upto 31.03.2023.

The Commission while framing the discussion paper considered the Policy & Regulatory provisions outlined in the Electricity Act, 2003 and Policies and Rules and Regulations framed under the Act, Gujarat Renewable Energy Policy 2023 as well Tariff based Competitive Bidding Guidelines for Solar Power Projects notified by Ministry of Power, Government of India.

# 1.2 The Electricity Act, 2003

The following provisions of the Act provide the enabling legal framework for promotion of Renewable Sources of energy by the State Electricity Regulatory Commissions (SERCs):

**Section 3 (1)** of the Act requires the Central Government to formulate, inter alia, the National Electricity Policy in consultation with the Central Electricity Authority (CEA) and State Governments for inter-alia, development of the renewable sources of energy. The provision is reproduced as under:



"The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilisation of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy."

**Section 61 (h)** of the Electricity Act, 2003 provides as under:

**"61. Tariff Regulations**. The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely: -

*"*.....

(h) the promotion of co-generation and generation of electricity from renewable sources of energy"

Section 62 (1) (a) of the Electricity Act, 2003 provides as under:

- **"62. Determination of Tariff. (1) The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for:**
- (a) supply of electricity by a generating company to a distribution licensee:

Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity.

....."

Section 86 (1) (b) & 86 (1) (e) of the Electricity Act, 2003 states as under:

**86. Functions of State Commission – (1)** The State Commission shall discharge the following functions, namely: -

«\_\_\_\_\_

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State"

......



(e) Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee."

# 1.3 Electricity (Promoting RE through Green Energy Open Access) Rules, 2022

The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 were notified on 6<sup>th</sup> June 2022 with amendments dated 27<sup>th</sup> January 2023 & 13<sup>th</sup> May 2023 to facilitate use of Renewable Energy (RE) by the consumers through Open Access and thereby to further accelerate India's RE programs. The aforesaid Rule provides that the tariff for the supply of green energy by the Distribution Licensee shall be determined separately by the Appropriate Commission based on the Average Pooled Power Purchase Cost of the renewable energy, cross-subsidy charges (if any), and service charges covering the prudent cost of the distribution licensee for providing the green energy.

The Rules provide that consumers who have contracted demand or sanctioned load of Hundred (100) kW or more, either through single connection or through multiple connections aggregating Hundred (100) kW or more located in same electricity division of distribution licensee, shall be eligible to source power through Green Energy Open Access. Further, there shall be no capacity restriction for setting up of RE projects for captive use with respect to consumers' contract demand/ sanctioned load.

The Rules recommends Banking facility for the RE projects set up for captive use and third party sale and specifies applicability of Open Access Charges, Cross Subsidy Charge, Additional Surcharge and treatment of un-utilized banked energy in case of OA transaction under third party sale and captive use.

The Rules provides that it shall come in force from the date of its Notification i.e. with effect from 06.06.2022.

# 1.4 National Electricity Policy (NEP)

**Clause 5.2.20** of the NEP stipulates the need for fully exploiting the feasible potential of non-conventional energy sources, as reproduced below:



"5.2.20 Feasible potential of non-conventional energy resources, mainly small hydro, wind and biomass would also need to be exploited fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures."

**Clause 5.6.1** stipulates about the need for Technology Development and R&D on non-conventional energy systems, as reproduced below:

•	r																								
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

"Special efforts would be made for research, development demonstration and commercialisation of non-conventional energy systems. Such systems would need to meet international standards, specifications and performance parameters."

**Clause 5.12** stipulates several conditions for promotion and harnessing of renewable energy sources. The salient features of the said provisions of NEP are reproduced below.

5.12.1: Non-conventional sources of energy being the most environment-friendly, there is an urgent need to promote generation of electricity based on such sources of energy. For this purpose, efforts need to be made to reduce the capital cost of projects based on non-conventional and renewable sources of energy. Cost of energy can also be reduced by promoting competition within such projects. At the same time, adequate promotional measures would also have to be taken for development of technologies and a sustained growth of these sources. Progressively, the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies.

# 1.5 Tariff Policy 2016

In compliance with the Section (3) of the Act, the Central Government has notified the revised Tariff Policy on 28<sup>th</sup> January, 2016. The Tariff Policy elaborates the role of Regulatory



Commissions, the mechanism for promoting renewable energy, the time-frame for implementation, etc. Clause 5.2 of the Tariff Policy provides as under:

"\_\_\_\_\_

"Provided also that the State Government can notify a policy to encourage investment in the State by allowing setting up of generating plants, including from renewable energy sources out of which a maximum of 35% of the installed capacity can be procured by the Distribution Licensees of that State for which the tariff may be determined under Section 62 of the Electricity Act, 2003."

Clause 6.4 of the Tariff Policy addresses various aspects associated with promoting and harnessing renewable sources of energy generation including co-generation from renewable energy sources, as reproduced below:

"\_\_\_\_\_

- **6.4** Renewable sources of energy generation including co-generation from renewable energy sources
- 1) "Pursuant to provisions of Section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from renewable energy sources, taking into account availability of such resources and its impact on retail tariffs. Cost of purchase of renewable energy shall be taken into account while determining tariff by SERCs. Long term growth trajectory of Renewable Purchase Obligations (RPOs) will be prescribed by the Ministry of Power in consultation with MNRE.

Provided that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs.

- (i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification of this policy which shall be such that it reaches 8% of total consumption of energy, excluding Hydro Power, by March 2022 or as notified by the Central Government from time to time.
- (ii) Distribution Licensee(s) shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own, at the tariff determined by the Appropriate Commission under Section 62 of the Act.



- (iii) It is desirable that purchase of energy from renewable sources of energy takes place more or less in the same proportion in different States. To achieve this objective in the current scenario of large availability of such resources only in certain parts of the country, an appropriate mechanism such as Renewable Energy Certificate (REC) would need to be promoted. Through such a mechanism, the renewable energy based generation companies can sell the electricity to local distribution licensee at the rates for conventional power and can recover the balance cost by selling certificates to other distribution companies and obligated entities enabling the latter to meet their renewable power purchase obligations. The REC mechanism should also have a solar specific REC.
- (iv) Appropriate Commission may also provide for a suitable regulatory framework for encouraging such other emerging renewable energy technologies by prescribing separate technology based REC multiplier (i.e. granting higher or lower number of RECs to such emerging technologies for the same level of generation). Similarly, considering the change in prices of renewable energy technologies with passage of time, the Appropriate Commission may prescribe vintage based REC multiplier (i.e. granting higher or lower number of RECs for the same level of generation based on year of commissioning of plant).
- 2) States shall endeavour to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources from projects above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government.

However, till such notification, any such procurement of power from renewable energy sources projects, may be done under Section 62 of the Electricity Act, 2003. While determining the tariff from such sources, the Appropriate Commission shall take into account the solar radiation and wind intensity which may differ from area to area to ensure that the benefits are passed on to the consumers.

- 3) The Central Commission should lay down guidelines for pricing intermittent power, especially from renewable energy sources, where such procurement is not through competitive bidding. The tariff stipulated by CERC shall act as a ceiling for that category.
- 4) In order to incentivize the Distribution Companies to procure power from renewable sources of energy, the Central Government may notify, from time to time, an appropriate bid-based tariff framework for renewable energy, allowing the tariff to be increased progressively in a backloaded or any other manner in the public interest during the period of PPA, over the life cycle of



such a generating plant. Correspondingly, the procurer of such bid-based renewable energy shall comply with the obligations for payment of tariff so determined.

5) In order to promote renewable energy sources, any generating company proposing to establish a coal/lignite based thermal generating station after a specified date shall be required to establish such renewable energy generating capacity or procure and supply renewable energy equivalent to such capacity, as may be prescribed by the Central Government from time to time after due consultation with stakeholders. The renewable energy produced by each generator may be bundled with its thermal generation for the purpose of sale. In case an obligated entity procures this renewable power, then the SERCs will consider the obligated entity to have met the Renewable Purchase Obligation (RPO) to the extent of power bought from such renewable energy generating stations.

Provided further that in case any existing coal and lignite based thermal power generating station, with the concurrence of power procurers under the existing Power Purchase Agreements, chooses to set up additional renewable energy generating capacity, the power from such plant shall be allowed to be bundled and tariff of such renewable energy shall be allowed to be pass through by the Appropriate Commission. The Obligated Entities who finally buy such power shall account towards their renewable purchase obligations.

Provided also that scheduling and despatch of such conventional and renewable generating plants shall be done separately.

- 6) In order to further encourage renewable sources of energy, no inter-State transmission charges and losses may be levied till such period as may be notified by the Central Government on transmission of the electricity generated from solar and wind sources of energy through the inter-State transmission system for sale.
- 7) Appropriate Commission may provide regulatory framework to facilitate generation and sale of electricity from renewable energy sources particularly from roof-top solar system by any entity including local authority, Panchayat Institution, user institution, cooperative society, Non-Governmental Organization, franchisee or by Renewable Energy Service Company. The Appropriate Government may also provide complementary policy support for this purpose."

# 1.6 Gujarat Renewable Energy Policy 2023

Government of Gujrat vide G.R. No. REN/e-file/20/2023/0476/B1 dated 4<sup>th</sup> October 2023 has notified Gujarat Renewable Energy Policy 2023. The Gujarat Renewable Energy Policy,



2023, aims to tap the renewable energy potential of State in a maximum possible manner. The policy also aims to (a) attract participation from Industries, MSMEs, Organizations, and Consumers etc. for augmenting clean energy sources in the State, (b) achieve the State's Sustainable Development Goals by rapid transition to clean energy sources, (c) make available quality, reliable and cost competitive renewable power to consumers with conducive policy framework, and (d) achieve 50% of cumulative electric power installed capacity from non-fossil fuel-based energy resources by the year 2030.

The main objectives of the Policy are as under:

- a) To tap the RE potential available in the State
- b) Increase the share of RE and ensure energy security to reduce dependency on fossil fuels.
- c) To supply day time power to Agricultural Consumers.
- d) To reduce the carbon footprint and hedging the energy cost.
- e) Promote decentralized RE generation.
- f) Promote investment, employment & skill enhancement and local manufacturing, Start-Ups, etc. in the RE sector.
- g) Encourage research and development and deployment of innovative technologies, pilot projects, etc. in the RE sector.
- h) Promote energy efficiency by creating energy awareness.

# 16.3.1 Purchase from Solar Power Projects

DISCOMs may procure power from distributed solar projects up to 4 MW capacity at a pre-fixed levelized tariff as per the mechanism decided by GERC i.e. simple average of tariffs discovered and contracted under the competitive bidding process conducted by GUVNL for solar projects in the preceding 6-month period, i.e., either April to September or October to March, as the case may be, plus 20 paisa/unit, which shall be applicable for the signing of PPAs in subsequent 6-month period and such tariff shall remain fixed for the 25 year term of the PPA.

Further, in case generic tariff is determined by GERC for solar project and such tariff is lower than tariff as stated in above para, lower tariff will be applicable for purchase of solar power from such project and the same shall be fixed for entire term of PPA.



# 1.7 GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024

The Commission has notified GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 on 20.02.2024. The said Regulations, 2024 stipulates various provisions related to grant of Open Access from Green Energy Generating Projects for consumption of green energy for captive use as well as purchase of green energy from third party generators including provisions related to energy banking facility, banking charges, energy settlement mechanism, applicability of various open access charges, etc.

# 1.8 Renewable Purchase Obligation in Gujarat

The Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources), (Third Amendment) Regulations, 2022 dated 08.04.2022 has specified the minimum renewable power purchase by the obligated entities for the FY 2017-18 to FY 2024-25 as shown in Table No. 1 below.

Table 1: Renewable Purchase Obligation in Gujarat for FY 2017-18 to FY 2024-25

Year	Minimum Quantum of Purchase (in %) from Renewable Energy Sources (in terms of energy in kWh)									
	Wind	Solar	Hydro Power Purchase Obligation (HPO)(%)	Others (Biomass, Bagasse, Hydro and MSW) (%)	Total (%)					
2017-18	7.75	1.75	-	0.50	10.00					
2018-19	7.95	4.25	- 6	0.50	17.02					
2019-20	8. <mark>05</mark>	5.50	-	0.75	14.30					
2020-21	8.15	6.75		0.75	15.65					
2021-22	8.25	8.00	-	0.75	17.00					
2022-23	8.25	8.00	<u></u>	0.75	17.00					
2023-24	8.40	9.50	0.05	0.75	18.70					
2024-25	8.55	11.25	0.10	0.80	20.70					

(Source: GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022)

As per the RPO regulation, the obligated entities have the obligation to purchase electricity (in kWh) from specified RE sources. The said purchase shall be at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year.

This renewable purchase obligation applies to:

- distribution licensees; and
- any other captive and open-access users consuming electricity (i) generated from conventional captive generating plant having capacity of 5 MW and above for their



own use and/or (ii) procured from conventional generation through open access and third party sale.

The aforesaid Regulations also provides that the targets specified for Obligated Entities for FY 2024-25 shall be continued beyond for FY 2025-26 and onwards unless specified by the Commission separately.

Further, this Regulation recognises the certificates issued within the scope of Central Electricity Regulatory Commission's (CERC) Renewable Energy Certificate (REC) as the valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities to purchase electricity from renewable energy sources termed as Renewable Energy Certificates (REC).

# 1.9 Discussion Paper on Solar Power Tariff Framework & Other Commercial issues

The Commission considered the MNRE Policy and Guidelines related to Solar Power Projects along with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and the Electricity (Promoting Renewable Energy through Green Energy Open Access), Rules 2022 notified by Ministry of Power, Govt. of India & its subsequent amendments.

The Commission has considered the provisions of Gujarat Renewable Energy Policy 2023 notified by Government of Gujarat along with the competitive discovered tariffs for purchase of energy from Solar Projects during the control period of previous tariff order, while proposing the tariff framework for the next control period in the Discussion Paper.

Accordingly, the Discussion Paper was published by the Commission and Public Notices in this regard were issued on 02.03.2024 in English and Gujarati Daily Newspapers and also uploaded on the Commission's website *www.gercin.org* in downloadable format, for inviting comments/objections/suggestions from stakeholders by 04.04.2024.

A list of stakeholders communicated their views on the Discussion Paper is given at 'Annexure-I'.



# 1.10 Public Hearing

The Commission has examined the objections / suggestions received on the discussion paper.

The Commission fixed the date for public hearing on the proposed Tariff framework for wind energy Projects on 05.04.2024 at the Commission's Office, Gandhinagar. A list of stakeholders participated in the public hearing and presented their objections/suggestions is provided at **Annexure-II**.

The main comments and views expressed by the stakeholders through their written/oral submissions and the Commission's views thereon have been summarized in the following paragraphs. It may be noted that all the suggestions given by the stakeholders have been considered, and the Commission has attempted to elaborate all the suggestions as well as the Commission's decisions on each suggestion. However, in case any suggestion is not specifically elaborated, it does not mean that the same has not been considered. Wherever possible, the comments and suggestions have been summarised clause-wise, along with the Commission's analysis and ruling on the same.



# 2. COMMENTS AND SUGGESTIONS ON PROPOSED TARIFF FRAMEWORK, AND COMMISSION'S VIEWS

#### 2.1 Clause 3.1: Tariff Framework

# 2.1.1 Proposed in Discussion Paper

The Ministry of Power, Government of India has notified Competitive Bidding Guidelines for Procurement of Power from Grid connected Solar Energy Projects on 03.08.2017. The Commission has directed the distribution licensees to procure power from the Solar Energy Projects at tariff discovered through Competitive Bidding Process under Section 63 of the Act by following Competitive Bidding Process followed by SECI/MNRE etc.

In the discussion paper, the Commission had proposed following tariff framework for the Solar Energy Projects that are above/below the threshold limit specified in Competitive Bidding Guidelines published by the Ministry of Power, Government of India.

# Projects above threshold limit

The distribution licensees shall continue to procure electricity from the Solar Projects through competitive bidding under Section 63 of the Act or by following competitive bidding process followed by SECI/MNRE etc. Further, the distribution licensees may approach the Commission for adoption of the tariff discovered through such Competitive Bidding Process.

# **Projects below threshold limit**

In case of tariff for Solar Power Projects below the threshold limit of eligibility (5 MW) for participating in Competitive Bidding, two options were proposed in the discussion paper as given below:

a) Tariff for Solar Power Projects falling below the threshold limit of eligibility, shall be considered as lowest of the weighted average tariff for Solar Energy, available as on 1st April, as discovered in the competitive bidding undertaken by GUVNL/Distribution Licensees and SECI during previous six months (October to March ) or available as on 1st October, as discovered in the competitive bidding undertaken by GUVNL/Distribution Licensees and SECI during previous six months (April to September), depending on commissioning date of Solar project capacity subject to



- adoption of discovered tariff by the Commission, plus 20 paise per unit, and such tariff shall remain fixed for the 25 year.
- b) Tariff for Solar power projects falling below the threshold limit of eligibility shall be determined by the Commission under Section (62) of the Act as proposed in Chapter 4 of the discussion paper.

The Commission would firm up its decision regarding suitable option for Tariff determination for Solar power projects falling below the threshold limit of eligibility after examining the comments/suggestions received from the stakeholders.

# 2.1.2 Suggestions/Objections of the Stakeholders

GUVNL suggested to consider GUVNL bids only for allowing Solar Projects below threshold limit as being followed in the earlier Solar Tariff Order No. 03 of 2020. GUVNL submitted that tariff discovered through SECI tenders should be excluded as the projects are located Pan India basis and connected to ISTS network. Further, SECI' tariff are adopted by CERC whereas tariff for the projects to be tied up by State DISCOM/GUVNL are approved by the Commission. Therefore, it is suggested to exclude SECI bid or any other agency bids and only retain GUVNL bids for the purpose of tariff order.

GUVNL has submitted that the use of clause "depending on commissioning date of Solar project" may create confusion in terms of the adopted tariff. The commissioning period may vary based on bucket of capacity tendered through Competitive Bidding Process.

GUVNL referred to the provisions under 'Gujarat Renewable Energy Policy 2023' related to procurement of power from Solar Power Projects and requested the Commission to consider following for procurement of power from the Solar Energy Projects that are below the threshold limit specified in Competitive Bidding Guidelines published by Ministry of Power, Government of India.

a) DISCOMs may procure power from small size solar power projects up to 4 MW capacity at a pre-fixed levelized tariff equal to the simple average of tariff discovered and contracted under the competitive bidding process conducted by GUVNL for non-park solar projects in the preceding 6- month period, i.e., either April to September or October to March, as the case may be, plus 20 paisa/unit which shall be applicable for the signing



of PPAs in subsequent 6-month period and such tariff shall remain fixed for the 25 year term of the PPA.

If the tariff is not available for preceding 6-month period, then available tariff of latest 6-month tariff shall be considered.

b) In case generic tariff is determined by GERC for solar project and such tariff is lower than tariff as stated in above para, lower tariff will be applicable for purchase of solar power from such project and the same shall be fixed for entire term of PPA.

**TPL-D** submitted that at present, tariff of solar projects below threshold limit is determined based on Competitive Bidding Process – weighted average of lowest of tariff discovered by GUVNL/SECI in previous six months and this methodology reflects the current market trend and is already well accepted by all stakeholders. Hence, the Commission may continue with the existing methodology of determination of tariff as weighted average of lowest tariff discovered by GUVNL in previous six months.

# 2.1.3 Analysis and Commission's Ruling

The Commission has carefully gone through the submissions made by the stakeholders and provisions outlined under the Gujarat Renewable Energy Policy 2023 as well as the Tariff based competitive bidding guidelines for Solar Energy Projects notified by MNRE. The Commission also has to keep in mind the tariff related provisions specified in the Electricity Act 2003 and the Tariff Policy 2016. After considering all aspects, the Commission decided to specify following tariff framework for Procurement of Power from Solar Power Projects above/below the threshold limit specified in Competitive Bidding Guidelines published by Ministry of Power, Government of India.

# Projects above threshold limit

As recommended in clause 6.4 (2) of the Tariff Policy, the distribution licensees shall continue to procure electricity from the eligible Solar Power Projects through competitive bidding under Section 63 of the Act or by following Competitive Bidding Process followed by SECI/MNRE etc. Further, the distribution licensees may approach the Commission for adoption of the tariff discovered through such Competitive Bidding Process.



# **Projects below threshold limit**

The Commission noted that as per the Competitive Bidding Guidelines issued by the Ministry of Power, Govt. of India, the threshold limit for Solar Power Projects to participate in competitive bidding process is 5 MW. The section 62 of the Electricity Act empowers the Commission to determine the tariff for supply of electricity by a generating company to the distribution licensee. While doing so, the Commission is guided by the terms and conditions specified by the Commission for determination of tariff under Section 61 of the Act. For Solar Power Projects below the threshold limit, the Commission deemed it more appropriate to determine the tariff under Section 62 of the Act for procurement of electricity by distribution licensee. Accordingly, the Commission has determined the generic tariff for such projects as discussed in the Chapter 4 of this Order.

# 2.2 Clause 3.2 (a): Control Period

# 2.2.1 Proposed in Discussion Paper

The Commission proposes that the control period of the tariff framework shall be effective from 01.04.2023 up to 31.03.2027.

# 2.2.2 Suggestions/Objections of the Stakeholders

**GUVNL** submitted that in Gujarat Renewable Energy Policy, 2023 notified on 04.10.2023, it is provided that the Solar Power Projects commissioned up to 03.04.2024 shall be eligible to be governed by the previous Solar Power Policy, 2021. In order to have operational ease, GUVNL suggested to define the control period of present solar tariff order with effect from 04.04.2024 with applicability for next 5 years. GUVNL suggested that the Control Period of the previous Solar Tariff Order No. 03 of 2020 may also be extended up to 03.04.2024.

**TPL-D** pointed out that the Commission in its Order No. 03 of 2020, has concluded that it is not appropriate to make any dispensation effective retrospectively as projects set up in the intervening period cannot be subjected to a dispensation that has been decided after a public process at a later date. Accordingly, the Commission had extended the then existing Order till the date of issuance of the Order No. 03 of 2020. Further, the Gujarat Renewable Energy Policy 2023 has given saving to the existing projects set up under the earlier policy.



**TPL-D** suggested to define the control period of the present Order from date of its notification considering the complexities in terms of commercial aspects such as energy accounting and settlement, adjustment of banking units, open access charges, etc.

# 2.2.3 Analysis and Commission's Ruling

The Commission has gone through the suggestions received from the stakeholders and noted that the stakeholders are requesting for defining the control period of new tariff order prospectively from the date of issue of the tariff order or effective from 4<sup>th</sup> April 2024.

The Commission has noted that the Ministry of Power notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on 6<sup>th</sup> June 2022 outlining the policy and regulatory provisions for promotion of renewable sources of energy through Open Access. Further, the MoP' Rules are effective from the date of its Notification. The Commission also notes that the Solar Tariff Order dated 08.05.2020 read with amendments made therein was having control period only up to 31.03.2023 and thereafter no extension in control period of earlier Orders is granted and also specified in the discussion paper that the new Order shall be effective from 01.04.2023.

Considering above aspects and to give effect to the provisions of Green Energy Open Access Rules 2022 notified by Ministry of Power under the Electricity Act, 2003 and specifically when there was no tariff order of the Commission effective from 01.04.2023 with regard to Solar Power Project tariff framework, the Commission found it more appropriate to adopt the policy and regulatory provisions outlined in MoP Green Energy Open Access Rules, 2022 and defined the Control Period of new Tariff Order to be made effective from 01.04.2023 in the discussion paper also. Accordingly, the Commission decides to define the Control Period of this tariff framework effective from 01.04.2023 to 31.03.2027. The projects which are commissioned during aforesaid Control Period shall be governed by the provisions MoP Green Energy Open Access Rules, 2022, read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and this Order of the Commission and eligible for the benefits stipulated in this Order. Further, Solar Power Projects commissioned during the Control Period of this Order shall be liable to pay applicable Open Access charges and provisions related to banking facility, energy accounting etc and shall be governed by this Order read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.



# 2.3 Clause 3.2. (e): Eligibility Criteria

# 2.3.1 Proposed in Discussion Paper

The Solar Power Projects to be installed and commissioned under PPAs signed during the new control period will be eligible to sell power to distribution licensees of Gujarat at the tariff approved by the Commission under this Tariff framework and consumption of solar energy for Captive Use / third party sale.

# 2.3.2 Suggestions/Objections of the Stakeholders

**GUVNL** submitted that the typical timeline for commissioning the solar projects is from 12 to 24 months. GUVNL suggested to modify the Eligibility criteria as "the solar Power projects using new plant and machineries for which PPA is sign during the control period of this tariff order and commissioned as per PPA terms and conditions shall be considered as eligible to sell power to distribution licensees of Gujarat at the tariff proposed by the Commission and shall be eligible for wheeling of energy for Captive Use/ Third party sale under Open Access".

GUVNL submitted that for clarity of stakeholders the tariff order shall clearly specify that DISCOMS shall purchase solar power as per MoP, GoI guidelines and GERC' directives only through the Competitive Bidding Process and only those Solar Power Projects that are below the threshold limit can supply power to DISCOMS at the tariff proposed by GERC. Moreover, splitting of capacity in the name of different companies of the same promoters at the adjacent location may not be allowed for qualifying the project below the threshold limit.

#### 2.3.3 Analysis and Commission's Ruling

The Commission finds merit in the submission of GUVNL in regard to project commissioning timelines for the Solar Power Projects supplying power to Distribution Licensee under the PPA. The Commission after examining the practical difficulties pointed out by GUVNL decided to modify the eligibility criteria:

"the Solar Power projects using new plant and machineries for which PPA is sign during the control period of this tariff order and commissioned as per PPA terms and conditions shall be considered as eligible to sell power to distribution licensees of Gujarat at the tariff framework decided by the Commission in this Order. Similarly, the Solar Power Projects set up for captive use / third party sale and commissioned during the control period of this order using new Plants & Machinery shall be eligible for wheeling of energy upon payment of applicable Open Access charges stipulated in this Order and provisions related to banking facility, energy accounting etc and shall be governed by this Order



read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024".

The Commission has already deliberated on the aspects of tariff framework for Solar Power Projects below /above threshold limit of participation in bidding process in clause 2.1 above.

# 2.4 Clause 3.2 (f): Forecasting and Scheduling for Solar power:

# 2.4.1 Proposed in Discussion Paper

In case of ISTS connected Solar Projects (including Inter-State RE projects located in Gujarat & directly connected to ISTS network and supplying power to consumer in Gujarat/outside of Gujarat) energy accounting for deviation shall be as per the CERC Regulations, as under:

....... Provided further that if Solar Generating Project is situated in the State of Gujarat and connected with Inter-State grid through State grid and selling power outside/ inside the State, the energy accounting for deviation settlement shall be carried out wherein the deviation charges shall be either (A) Reference Rate or (B) Normal Rate of Charges for deviation, whichever is higher, as per the provision of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.......

........... Provided also that in case of Solar Power projects set up for captive consumption/sale to third party, the minimum number of time blocks, which shall not be more than 12 time-blocks, for which the consumer shall not change the quantum of power consumed through Green Energy Open Access so as to avoid variations in demand to be met by the distribution licensee.

# 2.4.2 Suggestions/Objections of the Stakeholders

**SLDC** has made reference to Petition No. 2061/2022 filed before the Commission seeking for amendment in Notification No. 1 of 2019, GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019. SLDC requested to take cognizance of the said Petition.

**SLDC** further suggested certain changes with regard to energy accounting for deviation settlement as follow:

Provided further that if Solar Generating Project is situated in the State of Gujarat and connected with State grid and selling power outside the State, the energy accounting for deviation settlement shall be carried out wherein the deviation charges shall be cither (A) Reference Rare or (BJ Normal Rate of Charges, whichever is higher, for deviation for shortfall



of energy and any surplus energy shall be considered as inadvertent energy, as per the provision of GERC Green Energy Open Access Regulations, 2024 and GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019 and approved procedure thereof.

**GUVNL** submitted that from the clause it is unclear that, up to how many blocks a consumer is allowed to modify in their requisitions. As per said clause, it should not exceed 12 blocks, but it is not clear whether consumers are allowed to modify just one block or more. Therefore, it is suggested to modify the same to avoid confusion.

**TPL-D** submitted that if the consumers are given the flexibility to alter the quantum of green power purchased through open access after twelve (12) time block, it will have adverse effect on DISCOMs considering substantial penetration of Solar Injecting Power during RE Hours. Considering above, TPL-D suggested following changes forecasting scheduling mechanism

- The consumers opting for sourcing solar power through captive/third party mode should be mandated to ensure that the drawl of power during non-solar hours does not exceed the drawl of power during solar hours.
- Alternatively, consumers using such solar power should be mandated to provide advance schedule, 4 hours before DISCOM finalizes its schedule on day ahead basis, and for any deviation attributable to such consumers, implication is to be borne by these consumers only.

# 2.4.3 Analysis and Commission's Ruling

The Commission has gone through the submission of the stakeholders. The Commission is of the opinion that the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019 has provisions with regard to energy accounting and deviation settlement in respect of Wind/Solar Projects.

The provision of the minimum number of time blocks, which shall not be more than 12 time-blocks, for which the consumer shall not change the quantum of power consumed through Green Energy Open Access are incorporated as per the provisions of Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022. Therefore, no change is required in this provision.



The Commission has also noted that SLDC has filed Petition No. 2061 of 2022 seeking amendment of the GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019. The Commission will look into the matter and take appropriate decision in this regard.

In view of above, the Commission decided to keep the Forecasting and Scheduling related provisions for Solar Power Projects as proposed in the discussion paper.

# 2.5 Clause 3.2 (g): Applicability of Merit Order Dispatch Principle

# 2.5.1 Proposed in Discussion Paper

The Solar power plants irrespective of plant capacity shall be considered as 'MUST RUN' power plants and shall not be subjected to Merit Order Dispatch' principles.

# 2.5.2 Suggestions/Objections of the Stakeholders

GUVNL submitted that MoP, GoI Guidelines for Tariff Based Competitive Bidding Process for Procurement Power from Grid Connected Solar Power Projects dated 28.07.2023 allows for backing down / curtailment of Solar Generation subject to conditions of payments. Therefore, it is suggested to specifically mention that for solar projects supplying power to Distribution Companies, curtailment of solar generation can be made as per PPA terms & conditions in line with Guidelines dated 28.07.2023 notified by MoP, GoI.

# 2.5.3 Analysis and Commission's Ruling

The Indian Electricity Grid Code 2023 as well as State Grid Code and GERC ABT Order provides 'Must Run' Status to Renewable Energy Projects, irrespective of the plant capacity and hence RE plant shall not be subjected to Merit Order Despatch Principle.

The Commission noted that the MoP competitive bidding guideline dated 28.07.2023 provides compensation mechanism for RE Generator in case of reduced off-take, non-despatch of power due to Power system exigencies. Therefore, in case of Solar Power Projects set up under Competitive bidding route for supply of power to Distribution Licensees, the provisions related to compensation mechanism for non/reduced off-take of power shall be governed by the approved bid documents/PPA.



# 2.6 Clause 3.3: Transmission and Wheeling Charges

# 2.6.1 Proposed in Discussion Paper

The Commission has proposed following norms for wheeling of power from Solar Power Projects for third party sale/captive use during the control period.

# **Third Party Sale**

- a) In case of injection of the electricity at 66 KV level or above and drawl of electricity up to 66 KV level, the transmission of energy from the injection point to drawl place shall be allowed by paying transmission charges and losses determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time and Tariff Regulations of the Commission.
- b) In case of injection of energy at 66 KV level and drawl of energy below 66 KV voltage level in such case, wheeling of Power for third party sale from Solar Power Projects shall be allowed on payment of transmission charges, transmission losses on energy feed basis as measured at receiving Sub-Station of GETCO, wheeling charges and losses on the energy fed into grid, as determined by the Commission from time to time, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time.
- c) In case point of injection and drawl at 11 KV or below levels lies within area of same DISCOM, the wheeling of energy from Solar Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time.
- d) The Commission decides to promote the third-party sale/consumption of Solar Energy by allowing 25% concession in the Cross Subsidy Surcharge and Additional Surcharge wherein the RE generator and consumer does not claim RE attribute and allow distribution licensee to avail the same for RPO compliance.



e) No concession in the Cross Subsidy Surcharge shall be allowed to the Solar Energy Generator who are selling power under third party sale and utilizing RE attribute for RPO compliance of the consumer. They shall be liable to pay 100% Cross Subsidy Surcharge and Additional Surcharge as determined by the Commission read with the provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.

The provisions related to Cross Subsidy Surcharge and Additional Surcharge shall be governed as per the MoP' Rules and GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as amended from time to time.

# **Wheeling of Power for Captive Use**

- a) In case of injection of energy is at or above 66 KV voltage level and drawl of such energy up to 66 KV voltage level in such case, the transmission of energy from the injection point to drawl place shall be allowed by paying transmission charges and transmission losses determined by the Commission from time to time, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time.
- b) In case of injection at 66 KV and drawl below 66 KV voltage level, wheeling of electricity generated from the Solar power Project to desired location(s) within the State shall be allowed on payment of on payment of transmission charges and transmission losses on energy feed basis as measured at receiving Sub-Station of GETCO, wheeling charges and losses of the energy fed to the grid, determined by the Commission from time to time, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time.
- c) In case point of injection and drawl at 11 KV or below levels lies within area of same DISCOM, the wheeling of energy from Solar Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC Green Energy Open Access Regulations, 2024 and amendments in it from time to time.



Provided further that the person consuming energy generated from Solar project for captive consumption shall require to provide the details of ownership in the captive generating plant and generation as well as consumption of energy from captive generating plant to the distribution licensee in whose area of supply, the captive consumer is situated, on annual basis, in accordance with the provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 to ensure that the necessary conditions stipulated in Electricity Rules, 2005 read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 is fulfilled by such captive generating plant and consumption by the captive users. Failure to fulfil the aforesaid conditions, such consumption shall loose the status of captive consumption and it shall be qualified as supply by third party by generator and the benefits granted to captive consumption shall be withdrawn for that Financial Year and it shall attract the applicability of the Cross-Subsidy Surcharge and Additional Surcharge, if any, as applicable to third party green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time along with delayed payment surcharge thereon.

On receiving of documents/evidence from the captive consumer by the distribution licensee, the distribution licensee shall verify the same in compliance of provisions of Act, Rules and Regulations for captive status of the generator and consumption of energy from such plant and refer the matter to the Commission in case non-compliance of captive status by the generator/captive consumer and also claim the recovery of charges payable by such consumer on account of not fulfilling of captive generating plant status by the generator or captive consumer.

The Commission shall verify the fact and take the final decision regarding continuation of the captive status of the plant and consumption of energy from such plant as captive consumption for the respective financial year.

The various provisions related to Captive Generating Plant (CGP) and consumption of energy from such plant as stipulated in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 shall be applicable for Solar Power Project.



# Wheeling of power to more than one locations:

Solar power Project Developers, who desire to wheel electricity to more than one location for captive use/third-party sale, shall pay 5 paise per unit on energy fed in the grid as measured at receiving end sub-station of GETCO, to the concerned DISCOM in whose area power is consumed in addition to above mentioned transmission charges and losses, as applicable.

# 2.6.2 Suggestions/Objections of the Stakeholders

**GUVNL** suggested to replace the words "up to 66KV level" by "at 66KV Level and above" for better clarity of voltage levels. GUVNL suggested to modify the clause as given below:

"in case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level and above, the transmission of energy from the injection point to drawl place shall be allowed by paying transmission charges and losses determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time and Tariff Regulations of the Commission".

GUVNL pointed out that GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 provides for recovery of applicable Cross Subsidy Surcharge and Additional Surcharge from the open access user. Further, the Green Energy Open Access Rules, 2022 notified by Ministry of Power, Govt. of India also provides for recovery of applicable Cross Subsidy Surcharge and Additional Surcharge from the open access users. GUVNL requested not to provide any concession / exemption in levy of cross subsidy surcharge & Additional surcharge on cross-subsidizing category of solar open access users considering capacity restriction has already been removed and any under recovery in DISCOMS legitimate charges will result into burden on general body of consumers.

**SLDC** requested to modify the clause 3.3 (a) and (b) pertaining to third party sale as given below:

3.3 (a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place shall be allowed by paying transmission charges on sanctioned / allocated transmission capacity and losses as determined by the Commission from time to time, as applicable to Green Energy Open



Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time and Tariff Regulations of the Commission.

3.3 (b) In case of injection at 66 KV or above and drawl below 66 KV voltage level, wheeling of electricity generated from the Solar power Project to desired location(s) within the State shall he allowed on payment of transmission charges applicable on sanctioned / allocated transmission capacity, transmission losses on energy feed basis, wheeling charges and losses on the energy fed into grid as measured at receiving Sub-Station of GIITCO, as determined by the Commission from time to time as applicable green energy open access transaction as per GERC (Green Energy Open Access) Regulations,2024 and amendments in it from time to time read with Tariff Regulations of the Commission.

Similarly, following modification is requested in the clause (a) and (b) pertaining to Wheeling of Power for Captive use.

- (a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place shall be allowed by paying transmission charges on sanctioned / allocated transmission capacity and losses as determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time and Tariff Regulations of the Commission.
- (b) In case of injection at 66 KV and drawl below 66 KV voltage level, wheeling of electricity generated from the Solar power Project to desired location(s) within the State shall be allowed on payment of transmission charges applicable on sanctioned / allocated transmission capacity, transmission losses on energy feed basis, wheeling charges and losses on the energy fed into grid as measured at receiving Sub-Station of GETCO, as determined by the Commission from time to time as applicable to green energy open access transaction as per GERC Green Energy Open Access Regulations, 2024 and amendments in it from time to time read with Tariff Regulations of the Commission

**TPL-D** submitted that Transmission Charges and Losses as well as Wheeling Charges and Losses are essentially part of the Tariff determination for the respective Licensee.



Accordingly, the applicability of same should be as per the respective Tariff Orders. Further, these arrangements being long term in nature, Transmission charges and Wheeling Charges both should be considered at par in terms of mechanism. Accordingly, both Transmission as well as Wheeling Charges are required to be considered in Rs. / MW only.

TPL suggested to modify the clause 3.3 (a) (b) & (c) pertaining to third party sale and captive use as given below:

"Wheeling of Power for third party sale from Solar Power Projects shall be allowed and payment of transmission charges, transmission losses on energy feed basis as measured at receiving Sub-Station of GETCO, wheeling charges and losses on the energy fed into grid, as determined by the Commission from time to time in the respective tariff order".

**TPL** oppose the Concessions given on Cross Subsidy Surcharge and submitted that Section 42 of the Electricity Act mandates the payment of cross surcharge in case of third part sale and additional surcharge in case of captive and third-party sale, hence no concession shall be given on cross subsidy surcharge and additional surcharge.

APTEL Consultancy Pvt. Limited (ACPL) requested to allow 60% discount in open access charges for all MSME consumers consuming energy under third party purchase in order to encourage MSME consumers to take benefit of solar energy and reduce carbon emission which is towards National Government NET ZERO Policy.

**ACPL** further requested to provide 50% concession in cross subsidy surcharge in case MSME sourcing power under open access. In case of captive use of solar energy, the stakeholder requested to provide 60% discount in other than DISCOM open access Solar charges.

**Mr. Gopal Lakhana** submitted that in a third-party transaction a solar energy producer produces electricity and sells the same to any other customer i.e. sells his own product to a third party and therefore no concession in cross subsidy surcharge shall be provided in case of third party sale.



**M/s Cleanmax** requested to grant 50% waiver on the transmission and wheeling charges for the RE projects set up for production of Green Hydrogen, Green Ammonia and Desalination of Sea water.

# 2.6.3 Analysis and Commission's Ruling

The Commission has gone through the suggestions received from various stakeholders. The Commission also notes that State Government has notified Renewable Energy Policy, 2023. Further, the Commission also notes that Ministry of Power has notified Green Energy Open Access Rules, 2022. The Commission has notified Green Energy Open Access Regulations, 2024. The Commission considers that for the promotion of Green Energy projects, the benefits be granted in such a manner that it should not result in burden to the end consumer. The Commission has to strike balance between the captive / third party generator supplying/ using electricity in the license area of DISCOM and its impact on the business of the distribution licensees.

In view of this, the Commission do not find any merit for allowing concessional transmission/ wheeling chargers and losses as it will burden other consumers. However, the Commission decides to allow concessional Cross Subsidy Surcharge and Additional Surcharge, if any, for a specific Open Access Transaction which result in benefit of both the RE generator and the distribution utility. Accordingly, the Commission decides to modify the relevant clause of this order as under:

# Wheeling of power for Third Party Sale

- a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place shall be allowed by paying applicable transmission charges and losses on energy feed basis as determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with tariff Regulations of the Commission as applicable from time to time.
- b) In case of injection of electricity at 66 KV or above and drawl of electricity below 66 KV voltage level, wheeling of electricity generated from the Solar Power Project to desired location(s) within the State shall be allowed on payment of applicable transmission



charges & transmission losses on energy feed basis and wheeling charges & wheeling losses on the energy fed into grid as measured at receiving Sub-Station of GETCO, as determined by the Commission from time to time and applicable to green energy open access transaction as per GERC (Green Energy Open Access) Regulations 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.

- c) In case point of injection and drawl at a voltage level below 66 KV, lies within area of same DISCOM, the wheeling of energy from Solar Power Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.
- d) The Commission decides to promote the third-party sale /consumption of Solar Energy by allowing 25% concession in the Cross Subsidy Surcharge and Additional Surcharge wherein the RE generator and consumer does not claim RE attribute and allow distribution licensee to avail the same for RPO compliance.

No concession in the Cross Subsidy Surcharge shall be allowed to the Solar generator who are selling power under third party sale and utilizing RE attribute for RPO compliance of the consumer, or the projects are registered under REC mechanism. They shall be liable to pay 100% Cross Subsidy Surcharge and Additional Surcharge, if any, as determined by the Commission read with the provisions of GERC Green Energy Open Access Regulations.

The provisions related to Cross Subsidy Surcharge and Additional Surcharge shall be governed as per the MoP' Rules and GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as amended from time to time.

# Wheeling of Power for Captive Use

(a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place



shall be allowed by paying applicable transmission charges and losses on energy feed basis as determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with tariff Regulations of the Commission as applicable from time to time.

- (b) In case of injection of electricity at 66 KV or above and drawl of electricity below 66 KV voltage level, wheeling of electricity generated from the Solar Power Project to desired location(s) within the State shall be allowed on payment of applicable transmission charges & transmission losses on energy feed basis and wheeling charges & wheeling losses on the energy fed into grid as measured at receiving Sub-Station of GETCO, as determined by the Commission from time to time and applicable to green energy open access transaction as per GERC (Green Energy Open Access) Regulations 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.
- (c) In case point of injection and drawl at a voltage level below 66 KV, lies within area of same DISCOM, the wheeling of energy from Solar Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.

Provided further that the person consuming energy generated from Solar Power Project for captive consumption shall require to provide the details of ownership in the captive generating plant and place of consumption at the time of registration of captive generating plant. Further, it is required to provide the details of Ownership in CGP and generation as well as consumption of energy from captive generating plant to the distribution licensee and generation as well as consumption of energy from captive generating plant to the distribution licensee in whose area of supply, the captive consumer is situated, on annual basis, in accordance with the provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 to ensure that the necessary conditions stipulated in Electricity Rules, 2005 read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 is



fulfilled by such captive generating plant and consumption by captive users. Failure to fulfil the aforesaid conditions, such consumption shall loose the status of captive consumption and it shall be qualified as supply by third party by generator and the benefits granted to captive consumption shall be withdrawn for that Financial Year and it shall attract the applicability of the Cross-Subsidy Surcharge and Additional Surcharge, if any, as applicable to third party green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time along with delayed payment surcharge thereon.

On receiving of documents/evidence from the captive consumer by the distribution licensee, the distribution licensee shall verify the same in compliance of provisions of Act, Rules and Regulations for captive status of the generator and consumption of energy from such plant and refer the matter to the Commission in case non-compliance of captive status by the generator/captive consumer and also claim the recovery of charges payable by such consumer on account of not fulfilling of captive generating plant status by the generator or captive consumer.

The Commission shall verify the fact and take the final decision regarding continuation of the captive status of the plant and consumption of energy from such plant as captive consumption for the respective financial year.

The various provisions related to Captive Generating Plant (CGP) and consumption of energy from such plant as stipulated in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 shall be applicable for Solar Power Project.

# Wheeling of power to more than one locations:

Solar Power Project Developers, who desire to wheel electricity to more than one location for captive use/third-party sale, shall pay 5 paise per unit on energy fed in the grid as measured at receiving end sub-station of GETCO, to the concerned DISCOM in whose area power is consumed in addition to above mentioned transmission charges & losses and Wheeling charges & losses, as applicable.

# 2.7 Clause 3.4 Metering Point & Interconnection Point



### 2.7.1 Proposed in Discussion Paper

The Commission proposes following in discussion paper with regard to metering point and interconnection point:

- The Metering Point and Interconnection Point for the Solar Power Project shall be the point of connection at the GETCO substation where feasibility and connectivity is granted by GETCO. The Solar Project Developers shall provide energy metering and communication facility in accordance with the (a) CEA (Installation and Operation of meters) (Amendment) Regulations 2014 and its subsequent amendments, (b) Gujarat Electricity Grid Code 2013 and its subsequent amendments (c) GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments and (e) GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and its subsequent amendments.
- The Solar Power Projects shall provide four quadrant ABT compliant meters at the interface point which shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2014, as amended from time to time. GETCO/DISCOM to stipulate necessary specifications in this regard. The ABT meter shall be AMR compatible.
- For the purpose of commercial settlement and energy accounting, the metering point shall be at the receiving end sub-stations of GETCO. The electricity generated shall be metered and readings taken jointly by Solar Project developer with the representative of DISCOM and GETCO at the metering point, on monthly basis.
- The Solar Project Developers shall also install Remote Terminal Unit (RTU) at the pooling station at their own cost for transferring the real time data to SLDC for its monitoring purpose, and in accordance with the GERC orders from time to time.
- State Load Dispatch Centre shall certify actual injected energy and energy drawn (if any) from local DISCOM on monthly basis.



- Energy metering and communication facility shall be provided by the developer of Solar Power Projects in accordance with the following Regulations/Codes/Orders and their subsequent amendments:
  - Central Electricity Authority (Installation and Operation of meters)
     Regulations 2014 and its subsequent amendments.
  - ii. Gujarat Electricity Grid Code 2013 and its subsequent amendments.
  - iii. GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments.
  - iv. GERC Distribution Code 2004 and its subsequent amendments.
  - v. GERC (Terms and Conditions for Green Energy Open Access), Regulations 2024.

# REG

For the purpose of energy accounting, all Solar Power Project Developer shall have to provide ABT compliant (four quadrant) meters and if the power is to be wheeled to consumers' premises, then ABT cum Tariff compatible meter is to be installed at the consumers' premises also. While in case of consumer seeking open access below 1 MW, installation of Special Energy Meter capable of energy recording on 15 Minute Time Block basis at consumption end shall be allowed. GEDA, GETCO and DISCOMs shall ensure the energy accounting of Active and Reactive energy from Solar project for each consumer/customer. Energy Accounting shall be done by SLDC.

Provided that in case of Solar Power Project connected with Inter-State Transmission System (ISTS) network through state network, the provisions related to metering point and interconnection point shall be governed by the provisions of Intra-State generator provided in this Order. While in case of the Solar Projects directly connected to ISTS network shall be governed by the provisions of CERC Regulations.

# 2.7.2 Suggestions/Objections of the Stakeholders

**SLDC** submitted that Solar Power Projects shall have to provide four quadrant ABT compliant meters at both interface points (i.e. receiving and sending end) which shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2014, as amended from time to time. GETCO/DISCOM to stipulate necessary specifications in this regard. The ABT meter shall be compatible with SIDC AMR facility.



SLDC further submitted that for the purpose of commercial settlement and energy accounting, the metering point shall be at the receiving end sub-stations of GETCO. The electricity generated from the Solar Power Project shall be metered and readings taken jointly by Solar Project developer with the representative of DISCOM and GETCO at the metering point, on weekly basis.

Further, solar generators/GEDA/DISCOM/GETCO, as case may be, shall ensure that the Generator end and GETCO substation end data shall be available on every Tuesday for the previous week to SLDC through such AMR compatible meters. In case of non-availability of AMR, it will be responsibility of Solar generators/GEDA/DISCOM/GETCO, as case may be, to send ABT meter data in encrypted mode to SLDC with other mode of communication as per SLDC procedure and requirement.

## 2.7.3 Analysis and Commission's Ruling

The Commission finds merit in the submission of SLDC in regard to installation of ABT meter at both ends (i.e. receiving and sending end) and hence accepts the suggestion received from SLDC and modify the provision as under:

- Metering Point and Interconnection Point for the Solar Power Project shall be the point of connection at the GETCO substation where feasibility and connectivity is granted by GETCO. The Solar Project Developers shall provide energy metering and communication facility in accordance with the (a) CEA (Installation and Operation of meters) (Amendment) Regulations 2014 and its subsequent amendments, (b) Gujarat Electricity Grid Code 2013 and its subsequent amendments (c) GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments, (d) GERC Distribution Code 2004 and its subsequent amendments and (e) GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and its subsequent amendments.
- Solar Power Projects shall have to provide four quadrant ABT compliant meters at both interface points (i.e. receiving and sending end) which shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2014, as amended from time to time. GETCO/DISCOM to stipulate necessary specifications in this regard. The ABT meter shall be compatible with SLDC AMR facility.



The electricity generated from the Solar Power Project shall be metered and readings taken jointly by Solar Project developer with the representative of DISCOM and GETCO at the metering point, on weekly basis.

Further, Solar Generators/GEDA/DISCOM/GETCO, as case may be, shall ensure that the Generator end and GETCO substation end data shall be available on every Tuesday for the previous week to SLDC through such AMR compatible meters. In case of non-availability of AMR, it will be responsibility of Solar Generators/GEDA/DISCOM/GETCO, as the case may be, to send ABT meter data in encrypted mode to SLDC with other mode of communication as per SLDC procedure and requirement.

- The Solar Project Developers shall also install Remote Terminal Unit (RTU) at the pooling station at their own cost for transferring the real time data to SLDC for its monitoring purpose, and in accordance with the GERC' Orders from time to time.
- State Load Dispatch Centre shall certify actual injected energy and energy drawn (if any) from local DISCOM on monthly basis.
- Energy metering and communication facility shall be provided by the developer of Solar Power Projects in accordance with the following Regulations/Codes/Orders and their subsequent amendments:
  - i. Central Electricity Authority (Installation and Operation of meters)
    Regulations 2014 and its subsequent amendments.
  - ii. Gujarat Electricity Grid Code 2013 and its subsequent amendments.
  - iii. GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments.
  - iv. GERC Distribution Code 2004 and its subsequent amendment.
  - v. GERC (Terms and Conditions for Green Energy Open Access) Regulations 2024.

For the purpose of energy accounting, all Solar Power Project Developer shall have to provide ABT compliant (four quadrant) meters at both interface points (i.e. receiving and sending end) and if the power is to be wheeled to consumers' premises, then ABT cum Tariff compatible meter is to be installed at the consumers' premises also. While in case of consumer seeking open access below 1 MW, installation of Special Energy Meter



capable of energy recording on 15 Minute Time Block basis at consumption end shall be allowed. GEDA, GETCO and DISCOMs shall ensure the energy accounting of Active and Reactive energy from Solar project for each consumer/customer. Energy Accounting shall be done by SLDC.

Provided that in case of Solar Power Project connected with Inter-State Transmission System (ISTS) network through state network, the provisions related to metering point and interconnection point shall be governed by the provisions of Intra-State generator provided in this Order. While in case of the Solar Power Projects directly connected to ISTS network shall be governed by the provisions of CERC Regulations.

# 2.8 Clause 3.8.: Banking Facility and Energy Accounting

# 2.8.1 Proposed in Discussion Paper

The provisions related to Banking facility and charges, methodology for settlement of banked energy and treatment for un-utilised banked energy at the end of banking period etc., shall be governed by the MoP' Green Energy Open Access Rules, 2022 and GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and its subsequent amendments from time to time.

The banking facility shall be an optional facility provided to the consumers availing open access from Solar Power Project as provided under GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. In case consumer choose not to avail banking facility, the same shall be permitted on furnishing an undertaking as specified in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 in this regard.

Provided that in respect of Solar Power Project directly connected with ISTS network and supplying power to the consumer in the State either connected with ISTS network or Intra-State network of State, the provisions related to energy banking facility shall be governed as per the applicable CERC Regulations read with MoP Rules.

Provided further that the applicable charges i.e. transmission charges and losses, wheeling charges and losses, Cross Subsidy Surcharge, Additional Surcharge, if any, etc.



shall be applicable to the consumer which are availing Open Access by utilization of State Grid as per the provisions of this Order i.e. Transmission and /or Distribution network of the State with or without utilization of ISTS Network.

Provided also that Cross Subsidy Surcharge, Additional Surcharge, if any, etc. shall be applicable to the consumer which are availing Open Access from Solar Power Project utilizing ISTS Network only.

### 2.8.1. Energy Accounting

Energy Accounting related provision as provided below shall be applicable for captive use as well as third party open access transaction for Solar Projects:

### Case 1: The Solar Projects which are availing banking facility:

The consumption of banked energy shall be permitted on billing cycle basis in a manner stipulated in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. The banking of energy shall be evaluated for energy accounting on 15/5-minute time block basis. The difference between the injected energy from Solar Project worked out at the receiving end sub-station of GETCO and available at consumption point and consumer's consumption in same 15 /5-minute time block basis shall be considered as banked energy.

- i. The permitted quantum of banked energy for the consumer availing open access from Solar project shall be at least 30% of total consumption of electricity from the distribution licensee by the consumer during the billing period as provided in the MoP Green Energy Open Access Rules, 2022 read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.
- ii. For net import of power, DISCOM shall charge applicable tariff of respective category to the Consumer including fixed/demand charge, energy charges, peak charge, other charges/penalty etc. as applicable to other Consumers.



- iii. The unutilized surplus banked energy shall be considered as lapsed at the end of billing cycle and entitled to get REC as per the provisions of MoP Green Energy Open Access Rules, 2022.
- iv. No carry forward of surplus banked energy, if any, available at the end of billing cycle shall be permitted.
- v. The consumer/project developer shall require to pay banking charges as specified in the Green Energy Open Access Rules notified by the Ministry of Power, Government of India read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and as amended from time to time.
- vi. The consumer/project developers not desire to utilize the Green Energy attributes (RE) for fulfilment of its RPO, the distribution licensee shall have considered such energy as fulfilment of different types of RPO of distribution licensee, based on such energy consumed by consumer.
- vii. The consumer who utilizes RE (Green Energy) component for fulfilment of its RPO, in such case, consumption of RE (Green Energy) shall be qualified as fulfilment of consumer's RPO.

### Case 2: For Solar Projects not availing banking facility:

The Energy accounting shall be based on a 15-minutes time block-basis and no banking charge shall be applicable.

- i. For net import of energy, the DISCOM shall charge applicable tariff of respective category to the Consumer including fixed/ demand charge, energy charges, peak charge, time of use charges, other charges/ penalty, etc. as applicable to other Consumers as per tariff orders of the Commission.
- ii. Surplus Solar energy, after giving set-off on 15 minutes' time block basis, shall be considered as lapsed energy and not entitled for REC.



iii. Once the option for not availing the banking facility is exercised, the same shall not be allowed to change before completion of three years from the date of exercise of such option.

### **Case 3: Project registered under REC Mechanism:**

- i. Solar Projects availing open access for captive use/third-party sale under REC mechanism shall be governed as per CERC REC Regulations.
- ii. Such projects shall be allowed to transmit /wheel the energy on payment of applicable transmission charges & losses, wheeling charges & losses and other charges as applicable to Green Energy Open Access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.
- iii. The provisions related to banking facility and charges, energy accounting mechanism, treatment for surplus energy etc. shall be governed as per the GERC Green Energy Open Access Regulations as amended from time to time.

Cross Subsidy Surcharge and Additional Surcharge, if any, and open access charges shall be applicable as applicable to green energy open access transactions as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as amended from time to time.

### Suggestions/Objections of the Stakeholders

**GUVNL** proposed that DISCOM may be considered eligible for RPO for lapsed energy at the end of billing cycle for which the consumer is not claiming REC apart from the energy for which consumers are not claiming REC/RPO.

**Prozel Green Energy has** requested the Commission to clarify as to on what units the banking charges shall be applicable, will it be applicable on 30% of consumption if banked energy is lower than 30% or will it be applicable to the extent of banked energy. In case, consumer wheeling power under previous order/ policy, what will be priority of energy settlement. Further, it is also requested to clarify w.r.t permitted quantum of banked energy at least 30% of consumption from Distribution Licensee.



**TPL-D** submitted that banking facilities shall not be provided to the consumers and settlement should be done on prevailing time block basis only. Further, in case any surplus energy is generated during the time block, such energy shall be treated as inadvertent flow and no compensation shall be payable. Alternatively, if banking facility is to be provided, it is imperative that same shall be provided upon payment of entire cost of marginal power purchased to provide the banking facility else it amounts to socializing the cost on other consumers while privatizing the gains.

**TPL –D** further submitted that with regard to Consumer connected with Intra-State Network and drawing power from Solar Power Project directly connected to ISTS network, it may be clarified that such Consumer shall also be governed by GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 for the purpose of banking, scheduling and related charges like Transmission Charges and losses, Wheeling Charges and losses, CSS, Additional Surcharge etc.

Cleanmax requested that in respect of Solar Power Project set up for production of Green Ammonia, Green Hydrogen and Desalination of Sea Water, the Commission may consider to grant (i) waiver in banking charges (ii) 100% banking of energy (iii) yearly banking instead of monthly banking (iv) relaxation in ToD charges for drawl of banked energy.

### 2.8.2 Analysis and Commission's Ruling

The Commission would like to clarify that the banking and energy accounting related provisions proposed in the discussion paper are in line with the MoP's Green Energy Open Access Rules and GERC (Terms and Conditions for Green Energy Open Access) Regulations 2024.

In view of above, the Commission decided to keep the banking and energy accounting related provisions during new control period as proposed in the discussion paper without any modifications.



# 2.9 Clause 3.9 Security Deposit & Delay in Commissioning of Solar Power Project

### 2.9.1 Proposed in Discussion Paper

The objective of specifying tariff framework for procurement of solar power is to promote development of renewable energy in the state. A procedure of giving permission for the proposed Solar projects, based on the load flow studies has been followed by the GETCO. Thus, the proposed evacuation system from the pooling station of Solar projects forms part of the overall GETCO System. While timely completion of power evacuation system for such Solar projects is essential, timely execution of project is also equally important. Noncompletion of Solar projects leads to idling of transmission resources. The security deposit is furnished by the project developer in order to assure GETCO about the seriousness of the project. It is proposed that for the new control period.

The Solar Power Project Developer shall be required to provide Bank Guarantee @ Rs. 10 lakhs per MW to GETCO based on allotment of transmission capacity and in case the Developer fails to commission the capacity within the time-period mentioned hereunder, GETCO shall encash the Bank Guarantee.

Sr.	RE Cap <mark>acity</mark> in MW	Period for commissioning the entire evacuation line
No.		along with bays and metering system
01.	1MW to 100 MW	12 months from the date of allotment of transmission capacity
02.	>100 MW to 200 MW	15 months from the date of allotment of transmission capacity
03.	>200 MW to 400 MW	18 months from the date of allotment of transmission capacity

The Solar Project Developer shall ensure and prove that the Evacuation System consist of Transmission and /or Distribution System shall be ready prior to SCOD or aforesaid timeframe, whichever is earlier. Failure to it, the project developer is not eligible to get any waiver in Liquidated Damages payable by it, in terms of Agreement/ PPA.

The Solar Power Project Developer shall commission the project for at least 10% of the allotted capacity within one month of charging the evacuation line or as per timeframe stipulated table above, whichever is earlier, failing which, the Developer shall be liable to pay long-term transmission charges for 10% of the allotted capacity until such 10% of the allotted capacity is commissioned.



The balance 90% capacity shall require to be commissioned within one year of charging of evacuation line or as per timeframe stipulated above, whichever is earlier, failing which STU shall cancel the connectivity and Open Access granted, to the extent of capacity not commissioned and the RE developer shall have no claim on such capacity and pay relinquishment charges as determined by the Commission. Further, STU shall include such cancelled capacity in the list of spare available capacity for RE integration to be published on their website for prospective consumers.

If the Solar Project Developer (as Generator/Consumer/Licensee) fails to commission the entire allocated evacuation system along with bays and metering system within stipulated time-period due to unforeseen reasons, they may approach to the Commission seeking for extension of time period.

In case of Solar Power Project set up under competitive bidding route, in that case the aforesaid provision shall be governed by the provisions of approved bid documents/PPA.

### 2.9.2 Suggestions/Objections of the Stakeholders

GUVNL submitted that the DISCOMs and Generator enter into PPAs for procurement of power from the Solar Power Project for 25 years. The PPA includes the provisions for extension of time limit for Scheduled Commissioning Date on account of various force majeure event and delay in operationalization of transmission evacuation system. In view of this, GUVNL suggested that the delay in commissioning of the project shall be considered as per the provisions of the respective PPA/Agreement with concerned DISCOM. Therefore, in case of delay in commissioning of project, the developer shall first approach the concerned DISCOM for time extension as per the provisions of the PPA/ Agreement.

# 2.9.3 Analysis and Commission's Ruling

The Commission notes that in case of Solar Power Project selling power to DISCOM under PPA, the delay in commissioning of the project shall be considered as per the provisions of the respective PPA / Agreement with concerned DISCOM. However, in respect of Solar Power Plant set up for third party sale / captive use, the consequences for delay in commissioning of projects shall be governed as provided in this Order.



### 2.10 Clause 3.10 Exemptions from Demand Cut

### 2.10.1 Proposed in Discussion Paper

The discussion paper propose exemption from demand cut to the extent of 50% of installed capacity of solar power project in case of captive consumption and third-party sale within the State.

The above exemptions provided by the State Government shall be applicable for the prospective period.

### 2.10.2 Suggestions/Objections of the Stakeholders

**GUVNL** submitted that such exemption is not provided in the Gujarat Renewable Energy Policy,2023. Further, GERC (Terms and Conditions for Green Energy Open Access) Regulations,2024 also do not provide for such exemption from demand cut.

Accordingly, it is suggested to remove the provision of exemption from demand cut.

## 2.10.3 Analysis and Commission's Ruling

The Commission agree to the suggestion made by GUVNL and decided to remove the provision related to exemption from demand cut to the extent of 50% of installed capacity of solar power project in case of captive consumption and third-party sale.

### 2.11 Clause 3.11: Procedure for Integration of Solar Power project with the grid

### 2.11.1 Proposed in Discussion Paper

The Commission proposes that prior to commissioning and Integration of Solar Project to the grid the Solar Generators / developers should adhere to following procedures and amendments made in it from time to time in this regard.

The Solar generator/developer shall submit a certificate signed by the authorised signatory not below the rank of CMD or CEO or MD or Full Time Director, to the SLDC, GEDA and concerned Distribution Licensees before declaration of SCOD that the said generating station including main plant equipment's such Solar PV Modules, Inverters, Auxiliary Systems, as case may, has complied with all relevant provisions of CEA Technical Standards for Connectivity, CEA Technical Standards for Communications, CEA (Measures relating to Safety



and Electricity Supply) Regulations, 2010 and Gujarat Grid Code and have availed ALMM Certificate, if applicable.

i.	Document Submission to SLDCs
	n
	***************************************

### 2.11.2 Suggestions/Objections of the Stakeholders

**SLDC** requested certain modification in clause 3.11 - procedure for integration of solar project to the grid as proposed in the discussion paper. SLDC requested for addition of two sub paras in clause 3.11 as given below:

"The GEDA, STU, transmission/ distribution licensees may verify the same with prudent check and ask to generating station for additional requirement, if any".

"GEDA shall ensure following compliance from the developer of Solar pooling station/ generator, before carrying out testing, commissioning activities and issuing the Commissioning Certificate to the Solar Project and failure to it, the commissioning certificate, if any, issued, shall not be qualified as legal and valid".

The commissioning of the project shall be allowed by GEDA, DISCOMs and/or GETCO representative by verifying that such RE generators has complied with the provisions of CEA's Connectivity Standard Regulations and obtained ALMM certificate, if applicable and it shall be recorded in Commissioning Certificate during the inspection and commissioning activities.

Further, SLDC also suggested that the provisions related to grant of connectivity and Open Access to transmission / distribution network for Solar Generator may be stipulated as per the provision made in the Tariff Order for Wind-Solar Hybrid.

### 2.11.3 Analysis and Commission's Ruling

The Commission agrees to the certain modifications proposed by SLDC in relation to procedure for Integration of Solar Power Project with the grid and necessary modifications are made in the Order accordingly.

As regard to the suggestions of SLDC with regards to provisions related to grant of connectivity is concerned, the Commission has noted that the suggestion of SLDC is also



subject matter of a Petition filed by GETCO for adjudication, which is under consideration of the Commission.

### 2.12 Clause 3.12: Commissioning of the Solar Power project

The discussion paper proposes that after following the procedure of integration of Solar Power Project with grid, the commissioning of Solar Power Projects be followed. Commissioning with respect to the Solar project shall be certified by GEDA in presence of GETCO and / or Distribution Licensee representative. GEDA should ensure that PV Modules are installed as per ALMM Certificate issued for PV Modules by concerned Authority, if applicable, and as per Indian Standards on Renewable Energy notified by BIS and energy has flown into the grid and recorded in the energy meters installed at project site and witnessing of such generation of electricity by representative authorised by DISCOM and /or GETCO. The GEDA shall co-ordinate with DISCOMs and/or GETCO for fixing date of commissioning of plant. The representatives of GEDA, GETCO and / or Distribution Licensees shall sign on the commissioning of project by recording necessary details. Non-signing of documents of commissioning of Solar Projects by any of the representative of above entity, shall not qualify as valid 'commissioning' of the project. The commissioning certificate consists of the details of the Solar PV Modules along with RFID details, ALMM Certificate etc., if applicable and details of Inverter etc. Further, it shall also ensure that generation data from the Solar project shall also transferred in the real time basis through RTU to SLDC.

### 2.12.1 Suggestions / Objections of the Stakeholders

**GEDA** requested to relieve it from the responsibility of Joint certification along with DISCOM/GETCO in case of small projects injecting power below 66 KV level as the number of such projects are significant and GEDA has scarcity of manpower. To reduce the time period of commissioning of Solar Power Projects, it is requested to consider for Joint inspection with GEDA only in case where injection of energy is at 66 KV level or above. g power at 66 KV and above voltage level.

### 2.12.2 Analysis and Commission's Ruling

The Commission notes that GEDA is the Nodal Agency for development of RE projects in the State. The Commission is of the view that the role of GEDA as third party Government Agency in verification of commissioning of RE projects cannot be undermined. Therefore, the Commission decides not to make any changes in this regard.



# 3. TARIFF FRAMEWORK, GENERAL PRINCIPLES AND OTHER COMMERCIAL CONSIDERATIONS

### 3.1 Tariff Framework

# Projects above threshold limit

As recommended in the Tariff Policy, the distribution licensees shall continue to procure electricity from the eligible Solar Power Projects through competitive bidding under Section 63 of the Act or by following competitive bidding process followed by SECI/MNRE etc. Further, the distribution licensees may approach the Commission for adoption of the tariff discovered through such Competitive Bidding Process.

# Projects below threshold limit

For Solar projects below the threshold limit of 5 MW for eligibility in participation in Competitive bidding, the Commission has determined generic tariff for procurement of power by Distribution Licensee under Section 62 of the Act, as discussed in the later part of this Order.

### 3.2 General Principles

### a) Control Period

The Commission has noted that the Ministry of Power notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on 6<sup>th</sup> June 2022 outlining the policy and regulatory provisions for promotion of renewable sources of energy through Open Access. Further, the MoP Rules is effective from the date of its Notification. The Commission also notes that the Solar Tariff Order dated 08.05.2020 read with amendments made in it, was having control period only upto 31.03.2023 and thereafter no extension in control period of earlier orders is granted and also specified in the discussion paper that the new Order shall be effective from 01.04.2023.

Considering above aspects and to give effect to the provisions of Green Energy Open Access Rules 2022 notified by Ministry of Power under the Electricity Act, 2003 and specifically when there was no tariff order of the Commission effective from 01.04.2023 with regard to Solar Power Project tariff framework, the Commission found it more appropriate to adopt the policy and regulatory provisions outlined in MoP Green Energy Open Access Rules, 2022 and defined the Control Period of new tariff order to be made effective from 01.04.2023 in



the discussion paper also. Accordingly, the Commission decides to define the Control Period of this tariff framework effective from 01.04.2023 to 31.03.2027. The Solar Power Projects which are commissioned during aforesaid Control Period shall be governed by the provisions of the MoP's Green Energy Open Access Rules, 2022, read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and this Order of the Commission and eligible for the benefits stipulated in this Order. Further, Solar Power Projects commissioned during the Control Period of this Order shall be liable to pay applicable Open Access charges and provisions related to banking facility, energy accounting etc. and shall be governed by this Order read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.

# b) Plant and Machinery

The Solar power projects using new plant and machinery for which PPA is sign during the control period of this tariff order and commissioned as per PPA terms and conditions shall be considered as eligible to sell power to distribution licensees of Gujarat at the tariff framework decided by the Commission in this Order. Similarly, the Solar Power Project using new plant and machineries installed and commissioned during the control period of this Order will be eligible for wheeling of energy for captive use or third party sale as per the provisions of this Order.

### c) Useful life of Plant

The Useful Life for the Solar Power Projects shall be considered as 25 years from their date of commissioning.

### d) Tariff Period

The tariff period for the tariff framework approved by the Commission for Procurement of Solar Power Projects by the distribution licensees in the State shall be 25 years.

### e) Eligibility Criteria

The Solar Power projects using new plant and machineries for which PPA is sign during the control period of this tariff order and commissioned as per PPA terms and conditions shall be considered as eligible to sell power to distribution licensees of Gujarat at the tariff proposed by the Commission. Similarly, the Solar Power Projects set up using new plants and



Machineries for captive use / third party sale and commissioned during the control period of this order shall be eligible for wheeling of energy upon payment of applicable Open Access charges stipulated in this Order and provisions related to banking facility, energy accounting etc and shall be governed by this Order read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.

### f) Forecasting and Scheduling for Solar power

The Solar Power Projects connected with State Grid shall require to follow the provisions a prescribed under the GERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2019 notified on 19.01.2019 and its amendments issued from time to time and GERC (Terms and Conditions of Green Energy Open Access), Regulations, 2024 as amended from time to time.

In case of ISTS connected Solar Power Projects (including Inter-State RE projects located in Gujarat & directly connected to ISTS network and supplying power to consumer in Gujarat / outside of Gujarat) energy accounting for deviation shall be as per the CERC Regulations.

Provided further that if Solar Generating Project is situated in the State of Gujarat and connected with Inter-State grid through State grid and selling power outside/ inside the State, the energy accounting for deviation settlement shall be carried out wherein the deviation charges shall be either (A) Reference Rate or (B) Normal Rate of Charges for deviation, whichever is higher, as per the provision of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.

**Explanation:** Reference Charge Rate and Normal Rate of Charges shall have the meaning as defined in CERC DSM Regulations from time to time.

Provided also that in case of Solar Power Projects set up for captive consumption/ sale to third party, the minimum number of time blocks, which shall not be more than 12 time-blocks, for which the consumer shall not change the quantum of power consumed through Green Energy Open Access so as to avoid variations in demand to be met by the distribution licensee.

### g) Applicability of Merit Order Dispatch Principle



The Solar power plants irrespective of plant capacity shall be considered as 'MUST RUN' power plants and shall not be subjected to 'Merit Order Dispatch' principles.

### 3.3 Transmission and Wheeling Charges

### Wheeling of power for Third Party Sale

- a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place shall be allowed by paying applicable transmission charges and losses as determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with tariff Regulations of the Commission as applicable from time to time.
- b) In case of injection of electricity at 66 KV or above and drawl of electricity below 66 KV voltage level, wheeling of electricity generated from the Solar power Project to desired location(s) within the State shall he allowed on payment of applicable transmission charges & transmission losses on energy feed basis and wheeling charges & wheeling losses on the energy fed into grid as measured at receiving Sub-Station of GETCO, as determined by the Commission from time to time and applicable to green energy open access transaction as per GERC (Green Energy Open Access) Regulations 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.
- c) In case point of injection and drawl at a voltage level below 66 KV, lies within area of same DISCOM, the wheeling of energy from Solar Power Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.
- d) The Commission decides to promote the third-party sale /consumption of Solar Energy by allowing 25% concession in the Cross Subsidy Surcharge and Additional Surcharge



wherein the RE generator and consumer does not claim RE attribute and allow distribution licensee to avail the same for RPO compliance

No concession in the Cross Subsidy Surcharge shall be allowed to the Solar generator who are selling power under third party sale and utilizing RE attribute for RPO compliance of the consumer, or the projects are registered under REC mechanism. They shall be liable to pay 100% Cross Subsidy Surcharge and Additional Surcharge, if any, as determined by the Commission read with the provisions of GERC Green Energy Open Access Regulations.

e) The provisions related to Cross Subsidy Surcharge and Additional Surcharge shall be governed as per the MoP Rules and GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as amended from time to time.

### Wheeling of Power for Captive Use

- (a) In case of injection of the electricity at 66 KV level or above and drawl of electricity at 66 KV level or above, the transmission of energy from the injection point to drawl place shall be allowed by paying applicable transmission charges and losses on energy feed basis as determined by the Commission from time to time, as applicable to Green Energy Open Access Transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with tariff Regulations of the Commission as applicable from time to time.
- (b) In case of injection of electricity at 66 KV or above and drawl of electricity below 66 KV voltage level, wheeling of electricity generated from the Solar Power Project to desired location(s) within the State shall be allowed on payment of applicable transmission charges & transmission losses on energy feed basis and wheeling charges & wheeling losses on the energy fed into grid as measured at receiving Sub-Station of GETCO, as determined by the Commission from time to time and applicable to green energy open access transaction as per GERC (Green Energy Open Access) Regulations 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.



(c) In case point of injection and drawl at a voltage level below 66 KV, lies within area of same DISCOM, the wheeling of energy from Solar Project shall be allowed upon payment of Wheeling Charges and Wheeling Losses of energy fed to grid, as applicable to green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it read with Tariff Regulations of the Commission as applicable from time to time.

Provided further that the person consuming energy generated from Solar Power Project for captive consumption shall require to provide the details of ownership in the captive generating plant. Further, it is required to provide the details of Ownership in CGP and generation as well as consumption of energy from captive generating plant to the distribution licensee and generation as well as consumption of energy from captive generating plant to the distribution licensee in whose area of supply, the captive consumer is situated, on annual basis, in accordance with the provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 to ensure that the necessary conditions stipulated in Electricity Rules, 2005 read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 is fulfilled by such captive generating plant and consumption by captive users. Failure to fulfil the aforesaid conditions, such consumption shall loose the status of captive consumption and it shall be qualified as supply by third party by generator and the benefits granted to captive consumption shall be withdrawn for that Financial Year and it shall attract the applicability of the Cross-Subsidy Surcharge and Additional Surcharge, if any, as applicable to third party green energy open access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and amendments in it from time to time along with delayed payment surcharge thereon.

On receiving of documents/evidence from the captive consumer by the distribution licensee, the distribution licensee shall verify the same in compliance of provisions of Act, Rules and Regulations for captive status of the generator and consumption of energy from such plant and refer the matter to the Commission in case non-compliance of captive status by the generator/captive consumer and also claim the recovery of charges payable by such consumer on account of not fulfilling of captive generating plant status by the generator or captive consumer.



The Commission shall verify the fact and take the final decision regarding continuation of the captive status of the plant and consumption of energy from such plant as captive consumption for the respective financial year.

The various provisions related to Captive Generating Plant (CGP) and consumption of energy from such plant as stipulated in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 shall be applicable for Solar Power Project.

### Wheeling of power to more than one locations:

Solar Power Project Developers, who desire to wheel electricity to more than one location for captive use/third-party sale, shall pay 5 paise per unit on energy fed in the grid as measured at receiving end sub-station of GETCO, to the concerned DISCOM in whose area power is consumed in addition to above mentioned transmission charges & losses and Wheeling charges & losses, as applicable.

# 3.4 Metering Point & Interconnection Point

- Metering Point and Interconnection Point for the Solar Power Project shall be the point of connection at the GETCO substation where feasibility and connectivity is granted by GETCO. The Solar Project Developers shall provide energy metering and communication facility in accordance with the (a) CEA (Installation and Operation of meters) (Amendment) Regulations 2014 and its subsequent amendments, (b) Gujarat Electricity Grid Code 2013 and its subsequent amendments (c) GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments and (e) GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and its subsequent amendments.
- Solar Power Projects shall have to provide four quadrant ABT compliant meters at both interface points (i.e. receiving and sending end) which shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2014, as amended from time to time. GETCO/DISCOM to stipulate necessary specifications in this regard. The ABT meter shall be compatible with SLDC AMR facility.



The electricity generated from the Solar Power Project shall be metered and readings taken jointly by Solar Project developer with the representative of DISCOM and GETCO at the metering point, on weekly basis.

Further, solar generators/GEDA/DISCOM/GETCO, as case may be, shall ensure that the Generator end and GETCO substation end data shall be available on every Tuesday for the previous week to SLDC through such AMR compatible meters. In case of non-availability of AMR, it will be responsibility of Solar generators/GEDA/DISCOM/GETCO. as case may be. to send ABT meter data in encrypted mode to SLDC with other mode of communication as per SLDC procedure and requirement.

- The Solar Project Developers shall also install Remote Terminal Unit (RTU) at the pooling station at their own cost for transferring the real time data to SLDC for its monitoring purpose, and in accordance with the GERC orders from time to time.
- State Load Dispatch Centre shall certify actual injected energy and energy drawn (if any) from local DISCOM on monthly basis.
- Energy metering and communication facility shall be provided by the developer of Solar Power Projects in accordance with the following Regulations/Codes/Orders and their subsequent amendments:
  - i. Central Electricity Authority (Installation and Operation of meters) Regulations 2014 and its subsequent amendments.
  - ii. Gujarat Electricity Grid Code 2013 and its subsequent amendments.
  - iii. GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and its subsequent amendments.
  - iv. GERC Distribution Code 2004 and its subsequent amendments.
  - v. GERC (Terms and Conditions for Green Energy Open Access) Regulations 2024.

For the purpose of energy accounting, all Solar Power Project Developer shall have to provide ABT compliant (four quadrant) meters at both interface points (i.e. receiving and sending end) and if the power is to be wheeled to consumers' premises, then ABT cum Tariff compatible meter is to be installed at the consumers' premises also. While in case of consumer seeking open access below 1 MW, installation of Special Energy Meter capable of energy recording on 15 Minute Time Block basis at consumption end shall be



allowed. GEDA, GETCO and DISCOMs shall ensure the energy accounting of Active and Reactive energy from Solar Power Project for each consumer/customer. Energy Accounting shall be done by SLDC.

Provided that in case of Solar Power Project connected with Inter-State Transmission System (ISTS) network through state network, the provisions related to metering point and interconnection point shall be governed by the provisions of Intra-State generator provided in this Order. While in case of the Solar Power Projects directly connected to ISTS network shall be governed by the provisions of CERC Regulations.

# 3.5 Operation and Maintenance of dedicated lines

The Operation and Maintenance of dedicated evacuation line including the bays shall be carried out at the cost of Developer of Solar Projects as per applicable technical standards and best practices.

# 3.6 Pricing of Reactive Power

Reactive Power is required by the Solar Energy generators during initial start-up and station transformers also continuously require reactive power from the grid. Hence, in order to maintain grid stability, it is necessary to limit such reactive power consumption from the grid by installation of suitable compensation devices. In order to restrain the solar power projects from consuming more reactive power from the grid and to encourage them to install suitable compensation devices to limit such reactive power consumption, the levy of reactive power charges is necessary.

The pricing of reactive power for all prospective solar power projects shall be same as decided by the Commission in the GETCO's Tariff Order from time to time read with GERC's Grid Code.

# 3.7 Sharing of Clean Development Mechanism (CDM) Benefits

Sharing of CDM benefits or any other benefit such as carbon credit or any other benefits under Clean Development Mechanism or any other mechanism under any provision from any source providing such benefits to the Solar power project for which it shall qualify to receive such benefit on the energy generation from the Solar based power generation project shall apply to the concerned authority to avail/receive the benefit for the project. The benefits



which shall be receivable or received shall be shared with the procurer of power and / or licensee as under:

- 1. 100% of the gross proceeds on account of such CDM benefit or any other benefit under Clean Energy Mechanism from any source to be retained by the project Developer in the first year after the date of commercial operation of the generating station.
- 2. In the second year, the share of the beneficiaries like power procurer/licensee shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the Generating Company and the Beneficiaries like power procurer/licensee."
- 3. In case of PPA signed under competitive bidding process, the sharing of benefits received by the solar power project shall be as per terms and conditions of bid documents read with the PPA.

# 3.8 Banking facility & Energy Accounting

The provisions related to Banking facility and charges, methodology for settlement of banked energy and treatment for un-utilised banked energy at the end of banking period etc., shall be governed by the MoP's Green Energy Open Access Rules, 2022 and GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and its subsequent amendments from time to time.

The banking facility shall be an optional facility provided to the consumers availing open access from Solar Power Project as provided under GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. In case consumer choose not to avail banking facility, the same shall be permitted on furnishing an undertaking as specified in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 in this regard.

Provided that in respect of Solar Power Project directly connected with ISTS network and supplying power to the consumer in the State either connected with ISTS network or Intra-State network of State, the provisions related to energy banking facility shall be governed as per the applicable CERC Regulations read with MoP Rules.



Provided further that the applicable charges i.e. transmission charges and losses, wheeling charges and losses, Cross Subsidy Surcharge, Additional Surcharge, if any, etc. shall be applicable to the consumer which are availing Open Access by utilization of State Grid as per the provisions of this Order i.e. Transmission and /or Distribution network of the State with or without utilization of ISTS Network.

Provided also that Cross Subsidy Surcharge, Additional Surcharge, if any, etc. shall be applicable to the consumer which are availing Open Access from Solar Power Project utilizing ISTS Network only.

# 3.8.1 Energy Accounting

Energy Accounting related provision as provided below shall be applicable for captive use as well as third party open access transaction for Solar Projects:

### Case 1: The Solar Projects which are availing banking facility:

The consumption of banked energy shall be permitted on billing cycle basis in a manner stipulated in the GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. The banking of energy shall be evaluated for energy accounting on 15/5-minute time block basis. The difference between the injected energy from Solar Project worked out at the receiving end sub-station of GETCO and available at consumption point and consumer's consumption in same 15/5-minute time block basis shall be considered as banked energy.

- i. The permitted quantum of banked energy for the consumer availing open access from Solar project shall be at least 30% of total consumption of electricity from the distribution licensee by the consumer during the billing period as provided in the MoP Green Energy Open Access Rules, 2022 read with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.
- ii. For net import of power, DISCOM shall charge applicable tariff of respective category to the Consumer including fixed/ demand charge, energy charges, peak charge, other charges/ penalty etc. as applicable to other Consumers.



- iii. The unutilized surplus banked energy shall be considered as lapsed at the end of billing cycle and entitled to get REC as per the provisions of MoP Green Energy Open Access Rules, 2022.
- iv. No carry forward of surplus banked energy, if any, available at the end of billing cycle shall be permitted.
- v. The consumer/project developer shall require to pay banking charges as specified in the Green Energy Open Access Rules notified by the Ministry of Power, Government of India read with provisions of GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and as amended from time to time.
  - vi. The consumer/project developers not desire to utilize the Green Energy attributes (RE) for fulfilment of its RPO, the distribution licensee shall have considered such energy as fulfilment of different types of RPO of distribution licensee, based on such energy consumed by consumer.
  - vii. The consumer who utilizes RE (Green Energy) component for fulfilment of its RPO, in such case, consumption of RE (Green Energy) shall be qualified as fulfilment of consumer's RPO.

### Case 2: For Solar Projects not availing banking facility:

The Energy accounting shall be based on a 15-minutes time block-basis and no banking charge shall be applicable.

- i. For net import of energy, the DISCOM shall charge applicable tariff of respective category to the Consumer including fixed/ demand charge, energy charges, peak charge, time of use charges, other charges/ penalty, etc. as applicable to other Consumers as per tariff orders of the Commission.
- ii. Surplus Solar energy, after giving set-off on 15 minutes' time block basis, shall be considered as lapsed energy and not entitled for REC.



iii. Once the option for not availing the banking facility is exercised, the same shall not be allowed to change before completion of three years from the date of exercise of such option.

### **Case 3: Project registered under REC Mechanism:**

- i. Solar Projects availing open access for captive use/third-party sale under REC mechanism shall be governed as per CERC REC Regulations.
- ii. Such projects shall be allowed to transmit / wheel the energy on payment of applicable transmission charges & losses, wheeling charges & losses and other charges as applicable to Green Energy Open Access transaction as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024.
- iii. The provisions related to banking facility and charges, energy accounting mechanism, treatment for surplus energy etc. shall be governed as per the GERC Green Energy Open Access Regulations as amended from time to time.

Cross Subsidy Surcharge and Additional Surcharge, if any, and open access charges shall be applicable as applicable to green energy open access transactions as per GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as amended from time to time.

## 3.9 Security Deposit

The objective of specifying tariff framework for procurement of solar power is to promote development of renewable energy in the state. A procedure of giving permission for the proposed Solar projects, based on the load flow studies has been followed by the GETCO. Thus, the proposed evacuation system from the pooling station of Solar projects forms part of the overall GETCO System. While timely completion of power evacuation system for such Solar projects is essential, timely execution of project is also equally important. Noncompletion of Solar projects leads to idling of transmission resources. The security deposit is furnished by the project developer in order to assure GETCO about the seriousness of the project. It is proposed that for the new control period.

The Solar Power Project Developer shall be required to provide Bank Guarantee @ ₹ 10 lakhs per MW to GETCO based on allotment of transmission capacity and in case the Developer fails



to commission the capacity within the time-period mentioned hereunder, GETCO shall encash the Bank Guarantee.

Sr.	RE capacity in MW	Period for commissioning the entire evacuation line along
No.		with bays and metering system
1.	1 MW to 100 MW	12 months from the date of allotment of transmission capacity
2.	> 100 MW to 200 MW	15 months from the date of allotment of transmission capacity
3.	> 200 MW to 400 MW	18 months from the date of allotment of transmission capacity

The Solar Project Developer shall ensure and prove that the Evacuation System consist of Transmission and/or Distribution System shall be ready prior to SCOD or aforesaid timeframe, whichever is earlier. Failure to it, the project developer is not eligible to get any waiver in Liquidated Damages payable by it, in terms of Agreement/ PPA.

The Solar Power Project Developer shall commission the project for at least 10% of the allotted capacity within one month of charging the evacuation line or as per timeframe stipulated table above, whichever is earlier, failing which, the Developer shall be liable to pay long-term transmission charges for 10% of the allotted capacity until such 10% of the allotted capacity is commissioned.

The balance 90% capacity shall require to be commissioned within one year of charging of evacuation line or as per timeframe stipulated above, whichever is earlier, failing which STU shall cancel the connectivity and Open Access granted, to the extent of capacity not commissioned and the RE developer shall have no claim on such capacity and pay relinquishment charges as determined by the Commission. Further, STU shall include such cancelled capacity in the list of spare available capacity for RE integration to be published on their website for prospective consumers.

If the Solar Project Developer (as Generator / Consumer/ Licensee) fails to commission the entire allocated evacuation system along with bays and metering system within stipulated time-period due to unforeseen reasons, they may approach to the Commission seeking for extension of time period.

In case of Solar Power Project set up under competitive bidding route, in that case the aforesaid provision shall be governed by the provisions of approved bid documents/PPA.



# 3.10 Procedure for Integration of Solar Power Project with the Grid

The commissioning and integration of Solar Power Project shall be as per the following procedures and amendments made in it from time to time in this regard.

The generating station based on Solar shall submit a certificate signed by the authorized signatory not below the rank of CMD or CEO or MD or Full Time Director, to the SLDC, GEDA and concerned Transmission /Distribution Licensees before declaration of COD that the said Generating Station including main plant equipment's such Solar PV Modules, Inverters, Auxiliary Systems, as the case may be, has complied with all relevant provisions of CEA Technical Standards for Connectivity, CEA Technical Standards for Communications, CEA (Measures relating to Safety and Electricity Supply) Regulations, 2010 and Gujarat Grid Code and have availed ALMM Certificate, if applicable.

The GEDA, STU, Transmission/Distribution Licensees shall verify the same with prudent check and ask to generating station for additional requirement, if any.

GEDA shall ensure following compliance from the developer of Solar Generator, before carrying out testing, commissioning activities and issuing the Commissioning Certificate to the Solar Project and failure to it, the commissioning certificate, if any, issued, shall not be qualified as legal and valid".

#### I. Document Submission to SLDCs

The following documents shall be submitted to SLDC before the proposed date of commencement of first-time charging activities:

- Covering letter.
- Name of Pooling Station/Sending End Sub-Station, Installed Capacity of the project,
   Name of connected Sub-station of GETCO/ Transmission Licensee.
- Proposed date of synchronization of Pooling Station/Sending End Sub-station with Intra-State grid.
- Details of Contact Person i.e. Name, Designation, Mobile No, Email for day to day as well as commercial communication purpose.
- Details of first-time grid connection charge paid to SLDC through online mode.
- Name of DISCOM for allocation of power from the project / type of contract in detail.



- Copy of application to GEDA for granting registration of Solar Power Project, details of Pooling/Sending end Sub-station and specific details regarding under which Policy/Order/Regulation, the Solar capacity is installed.
- Approval obtained from various statutory agencies i.e. STU/Transmission Licensee/ GEDA/DISCOM /SLDC for installation and feasibility of renewable generator Pooling Station/ sending end Sub-station, as applicable.
- Parallel connectivity approval from STU/Transmission Licensee/DISCOM, as applicable.
- Approved metering scheme, ABT meter details, Commissioning report/MOM, as applicable.
- Connectivity agreement with Transmission Licensee/Discom or Transmission and /or Wheeling Agreement, as applicable.
- Copy of PPA/Wheeling agreement/Agreement for Third Party Sale with beneficiary, if any.
- Registration certificate of the generating unit or station in the registry maintained by CEA on e-portal https://egen.cea.gov.in as per applicable CEA standards.
- Copy of letter allocating seven-digit ABT Meter Serial Number along with Duly notarized undertaking as applicable.
- RTU commissioning report/MOM- for communication of real time data up to sub SLDC/SLDC & RTU payment receipt/REMC MOM, as applicable.
- Registration of renewable generators with SLDC through self/lead generator/QCA, as per approved procedure of Notification No. 1 of 2019 dated 19.01.2019
- Application for registration with details of registration charges/Consent from renewable generators (in case of QCA)/Undertaking from QCA (in case of QCA)/ Authorization to lead generator (in case of group generator), whenever applicable.
- Details of Payment Security provided by the project developer
- Static Data of Renewable Generator
- Other supporting documents, as per requirement
- Consent/Concurrence letter for "Generator Name" being lead generator by all Generators, if applicable.
- Details of ALMM certificate issued by concerned authority, if applicable
- QCA appointment letter, as applicable.
- On commissioning of Generating plant, as per the certificate issued by GEDA and also signed by Discoms and / or Transmission Licensee/STU representatives, the details of



plant with commissioning date, installed capacity (AC/DC both), DISCOM name for allocation of power, in tabular format with covering letter, to be submitted.

- C.O.D. letter of GEDA.
  - ii. Static Details: Static parameters for Solar Generating Station has to be provided as per the details provided below:

**Static Data for Solar Generating Station** 

Sr. No.	Particulars
1	Latitude
2	Longitude
3	Power Curve
4	Elevation and orientation angle of Arrays
5	Generation capacity of generating facility
6	Distance above mean sea level
7	CoD details
8	Rated voltage
9	Details of type of mounting (tracking, single axis, double axis,
	auto/manual)
10	Manufacturer and model (imp component such as panel, inverter,
	cable, solar panel, transformer etc
11	D C installed capacity
12	Module cell technology
13	I-V Characteristics of module
14	Inverter rating at different temp
15	Inverter efficiency curve
16	Transformer capacity & rating

The commissioning of the project shall be allowed by GEDA, DISCOMs and/or STU / Transmission Licensee by verifying that such RE generators has complied with the provisions of CEA's Connectivity Standard Regulations and obtained ALMM certificate, if applicable and it shall be recorded in Commissioning Certificate during the inspection and commissioning activities.

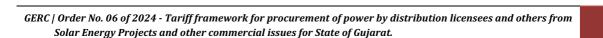
### 3.11 Commissioning the Solar Power Project:

After following the procedure of integration of Solar Power Project with grid, the commissioning of Solar Power Projects be followed. The "Commissioning" with respect to the Solar project shall be certified by GEDA in presence of representatives of Distribution



Licensee and /or Transmission Licensee / STU. GEDA shall ensure that PV Modules are installed as per ALMM Certificate issued for PV Modules by concerned Authority, if applicable, and as per Indian Standards on Renewable Energy notified by BIS and energy has flown into the grid and recorded in the energy meters installed at project site and witnessing of such generation of electricity by representative authorized by DISCOM and /or STU/ Transmission Licensee. The GEDA, DISCOM and /or Transmission Licensee/ STU should complete the necessary formalities for commissioning of plant within fifteen days from the date of receipt of application for commissioning of plant from the project developer/generator. The representatives of GEDA, Distribution Licensees and /or Transmission Licensee/STU shall sign on the documents related to commissioning of project. Non-signing of documents of commissioning of Solar Projects by any of the representative of above entity, shall not qualify as valid 'commissioning' of the project. The commissioning certificate consists of the details of each Solar PV Modules along with RFID details, ALMM Certificate etc, if applicable and details of each Inverter etc.

Further, it shall also ensure that generation data from the Solar project is transferred on the real time basis through RTU to SLDC.





# 4. DETERMINATION OF TARIFF FOR SOLAR POWER PROJECTS BELOW THE THRESHOLD LIMIT OF ELIGIBILITY

The Commission in the discussion paper has proposed a generic levelled tariff for procurement of electricity from the solar projects below the threshold limit of eligibility to participate in Competitive Bidding Process. The proposed tariff was determined by the Commission as per section 62 of the Electricity Act, 2003 for representative 1 MW capacity solar power project based on benchmark financial and operational parameters and provisions under GERC (MYT) Regulations 2016.

# 4.1 Benchmark Capital Cost

### 4.1.1 Proposed in Discussion Paper

The Commission in the discussion paper have proposed a normative benchmark capital cost of Rs. 3.45 Crores/MW for tariff determination purpose. The above cost is including evacuation cost up to the GETCO Sub-Station.

# 4.1.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.1.3 Commission's Analysis and Ruling

The Commission observed that the tariff discovered in competitive bidding conducted by GUVNL in recent past is in the range of Rs 2.30 / kWh to Rs 2.66 /kWh. The Commission also noted that the Solar Module prices during Q1 of FY 2024-25 are in declining mode. In view of this, the Commission decides to fix the benchmark normative capital cost of Rs 3.05 Crores/MW for determination of tariff for Solar power projects below threshold limit of eligibility to participate in bidding process for the control period of this order.

The capital cost is inclusive of the of all capital work including plant and machinery, civil work, erection and commissioning, financing and interest during construction, and evacuation infrastructure up to inter-connection point.



### 4.2 Operation & Maintenance Cost

### **4.2.1 Proposed in Discussion Paper**

The Commission in the discussion paper proposed the O&M cost as Rs 3.00Lakh/MW for first year of operation with an annual escalation of 3.84% per annum for tariff determination purpose.

### 4.2.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.2.3 Commission's Analysis and Ruling

The Commission has decided to retain 0&M expenses of Rs. 3.00 lakh /MW for first year of operation with an annual escalation of 3.84 % for tariff determination purpose.

# 4.3 Capacity Utilization Factor

### 4.3.1 Proposed in Discussion Paper

The Commission in the discussion paper has proposed normative Capacity Utilization Factor (CUF) of 19% for tariff determination purpose during the control period of this Order.

## 4.3.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.3.3 Commission's Analysis and Ruling

The Commission decides to fix the normative Capacity Utilization Factor (CUF) of 19% fixed for project life of 25 years for tariff determination purpose during the control period of this Order.

### 4.4 Debt Equity Ratio

## 4.4.1 Proposed in Discussion Paper

The Commission in the discussion paper has proposed debt-equity ratio as 70:30 for the new control period based on the provisions under the Tariff Policy formulated by the Ministry of



Power, Govt. of India and GERC Multi Year Tariff (MYT) Regulations, 2016 notified by the Commission.

### 4.4.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.4.3 Commission's Analysis and Ruling

The Commission decides to consider the debt-equity ratio of 70:30 for tariff determination purpose for the control period of this Order.

#### 4.5 Interest on term loan and Loan tenure

### 4.5.1 Proposed in Discussion Paper

The Commission in the discussion paper has proposed the normative interest rate on term loan as SBI MCLR rate plus 200 basis points which works out to 10.15 % for computation of interest on term loan and loan repayment period as 15 years for tariff determination purpose.

### 4.5.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.5.3 Commission's Analysis and Ruling

The Commission decides to consider the normative interest rate equal to 10.15 % for computation of interest on term loan and loan repayment period as 15 years for tariff determination purpose for the control period of this tariff order.

### 4.6 Depreciation

### 4.6.1 Proposed in Discussion Paper

The Commission in the discussion paper has proposed to consider depreciation at the rate of 4.67% per annum for the first 15 years, and 2% from 16<sup>th</sup> year to 25<sup>th</sup> year for tariff determination purpose for the new control period.

### 4.6.2 Suggestions/Objections of the Stakeholders



The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.6.3 Commission's Analysis and Ruling

The Commission decides to fix the depreciation at the rate of 4.67% per annum for the first 15 years, and 2% from 16th year to 25th year for tariff determination purpose for the control period this Order.

# 4.7 Working Capital and Interest on Working Capital

### 4.7.1 Proposed in Discussion Paper

The Commission in the discussion paper has proposed to consider following component of working capital for determination of working capital requirement for Solar Power Project.

- 0&M expenses for one month.
- Receivables of one month charges for sale of electricity.
- Maintenance spares at 1% of the capital cost escalated at 5% per annum

As per provisions in the GERC MYT Regulations, it is proposed to consider the interest on working capital equal to SBI MCLR plus 250 basis points, which works out as 10.65 %.

### 4.7.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.7.3 Commission's Analysis and Ruling

The Commission decides to fix following component of working capital for determination of working capital requirement for Solar Power Project.

- 0&M expenses for one month.
- Receivables of one month charges for sale of electricity.
- Maintenance spares at 1% of the capital cost escalated at 5% per annum

The Commission decides to fix normative interest on working capital equal to 10.65% for tariff determination purpose for the control period this Order.

### 4.8 Return on Equity

### 4.8.1 Proposed in Discussion Paper



GERC (Multi Year Tariff) Regulations, 2016 provides for Return of Equity at the rate 14% plus the applicable tax payment. The Commission follow the RoE norms as specified in MYT Regulations while determining generation tariff for conventional and renewable power projects. Accordingly, in the discussion paper, the Commission proposed to consider the RoE of 14% and the tax payment of MAT @ 17.47 % per annum for first 10 years and corporate tax @ 34.94% (IT Rate 30% + 12% Surcharge + 4% Cess) per annum for the next 15 years for tariff determination purpose for the new control period.

### 4.8.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

# 4.8.3 Commission's Analysis and Ruling

The Commission notes that the GERC MYT Regulations 2024 notified by the Commission provides for RoE of 15.5% for determination of tariff for generating projects. Accordingly, the Commission decide to consider 15.5 % RoE for determination of tariff for Solar Power Projects below threshold limit. Further, the tax payment of MAT @ 17.47% per annum for first 10 years and Corporate Tax @ 34.94% per annum for the next 15 years has been considered separately for tariff determination purpose.

#### 4.9 Discount Rate

### 4.9.1 Proposed in Discussion Paper

The Commission in the discussion paper proposed the discount rate equal to weighted average cost of capital (WACC). Considering the normative interest rate and normative Return of Equity, the discount rate of 9.32% was proposed for levelized tariff calculations.

### 4.9.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.9.3 Commission's Analysis and Ruling

The Commission decides to consider the discount rate of 9.77% corresponding to the rate of Interest on Term Loan and RoE for levelized tariff calculations of solar power project for the control period of this Order.



### **4.10 Accelerated Depreciation**

# 4.10.1 Proposed in Discussion Paper

The Commission in the discussion paper for ascertaining the Income Tax benefit on account of accelerated or additional depreciation has proposed following methodology:

- i. The assessment of benefit shall be based on normative Capital Cost, accelerated/additional depreciation rate as per the relevant provisions of the Income Tax Act and the Corporate Income Tax rate.
- ii. Capitalisation of Solar Power Projects for the full financial year.
- iii. Per-unit benefit shall be derived on levelized basis at a discounting factor equivalent to the post-tax weighted average cost of capital.

As per provisions in the Income Tax act, avail 60% depreciation in the first year of commissioning. The Commission has considered above depreciation rate while calculating per unit AD benefit.

# 4.10.2 Suggestions/Objections of the Stakeholders

The Commission has not received any comments / suggestions from the stakeholders in this regard.

### 4.10.3 Commission's Analysis and Ruling

The Commission decides to ascertain the Income Tax benefit on account of accelerated or additional depreciation as proposed in the discussion paper.

# 4.11 Computation of generic tariff for Solar Power Projects below threshold limit (below 5 MW) for New Control Period

The Commission has determined the generic tariff for Solar Power Projects below threshold limit of eligibility to participate in competitive bidding in the present Order after considering the various normative technical and financial parameters and after hearing all the stakeholders and considering their views/suggestions. The tariff is decided by the Commission in the present Order in terms of Section 62 read with 86 (1) (a), (e) of the Electricity Act, 2003 and the provisions specified under National Tariff Policy 2016 and GERC (MYT) Regulations.



# Benchmark Operational and Financial Parameters considered by the Commission for Solar Power Projects below threshold limit (below 5 MW) commissioned during the control period

Parameters	Value	Unit
Financial Parameters		
Capital Cost of Solar Power Project	305	Rs. Lakhs /MW
Non - Depreciable Amount / Salvage value	10.00%	% of Capital Cost
Depreciable Amount (Cap Cost Less non-depreciable Cost)	274.50	Rs. Lakhs
Debt Fraction	70.00%	%
Debt	213.50	Rs. Lakhs
Equity	<mark>91</mark> .50	Rs. Lakhs
TOTAL (Debt+Equity)	305.00	Rs. Lakhs
Interest Rate on Term Loan	10.15%	%
Repayment Period	15	Years
Moratorium Period	0	Years
Term loan period for principal payment	15	Years
Depreciation for First 15 years (Straight Line Method)	4.67%	% p.a.
Depreciation for 16-25 years (Straight Line Method)	2.00%	% p.a.
Discount Rate	9.7 <mark>7%</mark>	%
O&M cost	3.00	Rs. Lakhs/MW
O&M Cost Escalation	3.84%	% p.a.
Return on Equity (1-10 years)	15.50%	%
Return on Equity (11-25 years)	15.50%	%
Minimum Alternative Tax (First 10 years)	17.47%	%
Corporate Tax (Last 15 years)	34.94%	%
Interest on working capital	10.65%	%
Technical Parameters		
Capacity of the Solar Project	1	MW
Capacity Utilization Factor	19.00%	%
Annual Generation	16.64	Lakh/kWhs



Parameters	Value	Unit
Life of Plant and Machinery / Project Life	25	Years
Tariff decided by the Commission for Solar Projects below threshold limit (below 5 MW)	Value	Unit
Levelized tariff	2.76	Rs. /kWh
AD benefit	0.28	Rs. /kWh
Net tariff	2.48	Rs. /kWh

The Solar Power Project developers may be eligible for getting Financial Assistance/ Financial Incentive/Subsidy/other benefits from the Central Government, if any. Such benefits as may be availed by the project developers need to be factored in the computation of above tariff determined by the Commission. In case project developer avails Financial Assistance/Financial Incentive/Subsidy/other benefits from the Central Government/State Government, if any, the Commission shall re -determine the tariff for respective project developers by factoring the same in the above tariff based on the benefits availed by project developers.

The Solar Power Project below 5 MW commissioned during the Control Period of this Order are eligible to receive the above tariff determined by the Commission.

### Applicability of the Order

The effective date of this Order is from 01.04.2023 to 31.03.2027. Accordingly, the tariff framework specified in this Order shall be applicable to Solar Power Projects commissioned on or after 01.04.2023. If any transmission and/or wheeling agreement executed for the Solar Power Project after expiry of control period of previous Order on "*Tariff Framework for Solar Power Projects*" (Order No. 03 of 2020 dated 08.05.2020 read with Suo Motu Order No. 06 of 2020 dated 05.08.2020, Orders dated 11.06.2021 & 06.07.2021 in Petition No. 1936 of 2021) i.e. after 31.03.2023, shall be modified and aligned with the provisions of this Order.

Sd/-[S. R. Pandey] Member Sd/-[Mehul M. Gandhi] Member Sd/-[Anil Mukim] Chairman

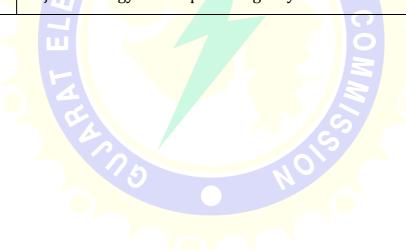
Place: Gandhinagar. Date: 31/08/2024.



# **Annexure I**

# List of Stakeholders communicated their views/comments/suggestions on the Discussion Paper

Sr.	Name of Stakeholders
No.	
1	Prozel Green energy Pvt. Limited
2	Gujarat Urja Vikas Nigam Limited
3	APTEL Consultancy Pvt. Limited
4	State Load Dispatch Centre - Gujarat
5	Mr. Gopal Lakhana
6	Clean Max Enviro Energy Solution Pvt. Limited
7	Torrent Power Limited
8	Gujarat Energy Development Agency





# **Annexure II**

List of Stakeholders who attended the Public Hearing on 08.04.2024 and submitted their views/comments/suggestions on the subject matter.

Sr.	Name of Stakeholders
No.	
1	Prozel Green energy Pvt. Limited
2	Gujarat Urja Vikas Nigam Limited
3	APTEL Consultancy Pvt. Limited
4	State Load Dispatch Centre - Gujarat
5	Mr. G <mark>opal Lakhana</mark>
6	Clean Max Enviro Energy Solution Pvt. Limited
7	Torrent Power Limited
8	Gujarat Energy Development Agency





Tariff Calculation <mark>s</mark> fo <mark>r Solar P</mark> ower P <mark>la</mark> nt for below threshold limit																									
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	_15	16	17	18	19	20	21	22	23	24	25
Net Energy sold (lakh/kWh)	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64
Costs									(C)					4 >											
0&M	3.00	3.12	3.23	3.36	3.49	3.62	3 <mark>.76</mark>	3.91	4.06	4.21	4.37	4.54	4.72	4.90	5.08	5.28	5.48	5.69	5.91	6.14	6.37	6.62	6.87	7.14	7.41
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation (SLM)	14.23	14.23	14.23	14.23	14.23	14 <mark>.23</mark>	14.23	14.23	14.23	14.23	14.23	14.23	14.23	14.23	14.23	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Interest on term loan	20.95	19.50	18.06	16.61	15.17	13.72	12.28	10. <mark>8</mark> 4	9.39	7.95	0.54	0.42	0.30	0.18	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working capital	0.85	0.85	0.86	0.86	0.87	0.88	0.89	0 <mark>.9</mark> 0	0.92	0.93	0.92	0.94	0.97	1.01	1.04	1.00	1.04	1.08	1.12	1.16	1.21	1.26	1.31	1.36	1.42
Return on Equity	14.18	14.18	14.18	14.18	14.18	14.18	14.18	1 <mark>4.</mark> 18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18	14.18
Tax on equity	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2. <mark>48</mark>	2.48	2.48	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96	4.96
Total Cost (Rs lakh)	55.69	54.36	53.04	51.73	50.42	49 <mark>.12</mark>	47.83	46.54	45.26	43.98	39.20	39.28	39.36	39.45	39.55	31.52	31.76	32.01	32.27	32.54	32.82	33.11	33.42	33.74	34.06
Tariff													2		2							•	•	•	
Tariff (Rs/kWh)	3.35	3.27	3.19	3.11	3.03	2.95	2 <mark>.87</mark>	2.80	2.72	2.64	2.36	2.36	2.36	2.37	2.38	1.89	1.91	1.92	1.94	1.96	1.97	1.99	2.01	2.03	2.05
Levelized Fixed 1 Calculations	Tariff								(5				N												
Discount Rate	9.77%																								
Levelized Tariff (Rs / kWh)	2.76																								