

TRIPURA GAZETTE

Published by Authority

EXTRAORDINARY ISSUE

Agartala, Friday, November 27, 2009 A. D., Agrahayana 6, 1931 S. E.

PART--I-- Orders and Notifications by the Government of Tripura,
The High Court, Government Treasury etc.

TRIPURA ELECTRICITY REGULATORY COMMISSION

REGULATION IN RESPECT OF COGENERATION & GENERATION OF ELECTRICITY FROM RENEWABLE SOURCES OF ENERGY, REGULATION 2009.

No. F.17/TERC/2009/

Dated 23rdth March 2009

In exercise of powers conferred on it by Sub-Section (1) and clause (zp) of sub-section (2) of Section 181 read with clause (e) of sub-section (1) of Section 86 of the Electricity Act, 2003 (36 of 2003) mandates the Commission to 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 licensee within the State. In that behalf the Commission hereby makes the following Regulations:-

1. **SHORT TITLE, EXTENT, COMMENCEMENT:-**

1.1

- (a) These regulations may be called the Tripura Electricity Regulatory Commission (Cogeneration & Generation of Electricity from Renewable Sources of Energy) Regulations 2009.
- (b) This Regulation shall come in to force on the date of publication in the official Gazette.
- (c) These extend to the jurisdiction of Tripura Electricity Regulatory Commission.
- (d) Tripura General Clause Act shall apply in interpretation of various clauses of the Regulation unless otherwise stated elsewhere.

1.2. **Interpretation:-**

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

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

2. **DEFINITION :-**

In this Regulation, unless the context otherwise requires:

- (i). **"The Act"** means the electricity Act, 2003;
- (ii). **"Bio-Gas plant"** means a power plant generating electricity through anaerobic digestion of wet biomass in to fuel;
- (iii). **"Commission"** means the "Tripura Electricity Regulatory Commission" constituted under Sub-section (1) of Section 82 of the Act;
- (iv). **"K.V"** means Kilo Volt;
- (v). **"Kwh"** means Kilo Watt hour.
- (vi). **"KVARH"** means Reactive Power in Kilo Volt –Ampere hour;
- (vii). **"Licensee"** means any person licensed under Section-14 of Electricity Act, 2003.
- (viii). **"MOU"** means the Memorandum of Understanding entered into between the Seller/Developer and the Licensee.
- (ix). **"MSW"** power plants mean the power plant that generates electricity by utilizing municipal solid waste as fuel for generation of electricity;
- (x). **"MW"** means Mega Watt;
- (xi). **"MNRE"** means Ministry of New and renewable Energy, Government of India.
- (xii). **"Nodal Agency"** means State Load Despatch Center/Sub-State Load Despatch Centre;
- (xiii). **"NECS"** means Non –conventional Energy Sources.
- (xiv). **"PPA/PSA"** means the Power purchase Agreement and PSA means Power supply Agreement between two Agencies for purchase/sale of Power;
- (xv). **"Quantum of purchase"** means percentage share of purchase of electricity from renewable sources as specified in these regulations. The quantum would be the sum of all direct purchase from generation stations based on renewable sources and purchase from any other licensee, which would arise from renewable sources.
- (xvi). **"Renewable source"** means non-conventional, renewable electricity generating sources such as small /mini/micro hydel project up to 25 MW capacity Wind, solar, biomass based on 100% producer gas or combustion route, urban/municipal waste, industrial waste, geothermal, tidal, ocean thermal energy conversion (OTEC) or other sources as approved by the Ministry of Non-conventional energy Sources, Government of India or Government of Tripura.
- (xvii). **"SLDC"** means State Load Despatch Center;

- (xviii). "SSLDC" means Sub-State Load Despatch Centre declared by SLDC with the approval of the Commission;
- (xix). "Solar PV power plant" means the Solar Photo Voltaic Power plant that uses sunlight for direct conversion into electricity through Photo Voltaic technology;
- (xx). "STU" means State Transmission Utility or Agency authorized to do such function;
- (xxi). "SNA for NECS" means State Nodal Agency for Non-conventional Energy Sources (it is TREDA in Tripura as declared by the State Government).
- (xxii). "TOD" means the Time -of the -Day;
- (xxiii). "TERC" means Tripura Electricity Regulatory Commission;
- (xxiv). "TREDA" means Tripura Renewable Energy Development Agency established by State Government;
- (xxv). "UI" means Un-scheduled interchange ;

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

3. Quantum of purchase of Electricity from renewable sources.

3.1 Minimum quantum of electricity to be purchased by the licensees from cogeneration & renewable sources expressed as percentage of their total consumption of electricity in a year in the respective area of supply of the Licensee during a year from cogeneration & renewable sources as per the schedule:-

LICENSEE	
YEAR	PURCHASE OBLIGATION
1 st	1.0%
2 nd	1.0%
3 rd	2.0%

For subsequent years the Commission will separately specify the purchase obligation as the Commission deems fit.

3.2 Purchase obligation for licensee as specified above are mandatory minimum percentage of purchase to be maintained by the Licensee. The Licensee shall have the option to purchase higher percentage with the prior approval of the Commission.

3.3. The Licensee shall indicate the proposed quantum of purchase from respective cogeneration and renewable sources of energy for a year in the ARR filing.

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

3.5. In a situation where Licensee is unable to purchase the required quantum within Area of supply due to shortage or non availability of such sources in any given year, to the extent of shortfall, the Licensee may purchase the quantum from renewable sources outside the Licensee's area of supply but within the State. Provided that the STU/SLDC/Licensee shall make best efforts to strengthen the system to provide open access to transmit power from renewable sources.

3.6. While contracting power purchase from new sources, priority shall be given to the date of commercial operation of such generating stations.

3.7. The Commission may review the quantum of purchase from renewable sources by a licensee once in every 3 years or at lesser intervals as may be necessary.

3.8. The Commission may waive the above minimum quantum targets for the year as per clause 3.1 of this Regulation subject to supply constraints or any other uncontrollable factor in the opinion of the Commission, at the request of the Licensee.

4. **PROMOTION OF RENEWABLE SOURCES OF ENERGY:-**

Any person generating electricity from renewable sources of energy shall have mandatory open access to any Licensee's transmission system and/or distribution system or Grid as the case may be.

5. **DETERMINATION OF TARIFF:-**

1) The Commission shall determine the tariff for the purchase of electricity from cogeneration and renewable sources by a Licensee. Provided that, the PPAs approved by the Commission prior to the notification of these Regulations shall continue to apply for such period as mentioned in those PPAs.

2) The Commission shall determine the Tariff separately for each category of renewable source mentioned in clause 2(xvi).

3) To facilitate examination of reasonableness of price at which licensee shall procure energy from cogeneration and renewable energy sources, the prospective seller shall submit all cost data and financial charges to the purchaser with a copy to the Commission. MOU/PPA as agreed between the seller and the purchaser shall be submitted to the Commission. The Commission may accept the same for the present if the PPA is made as per these regulations.

4) In case the parties are unable to agree mutually, the matter shall be referred to the Commission by filing a petition by either or both the parties for settlement.

- 5) The Commission shall as far as possible be guided by the principles and methodologies , if any ,specified by the CERC, National Electricity Policy and Tariff Policy ,while deciding the terms and conditions of tariff for renewable sources of energy.
- 6) While determining the Tariff , the Commission may , to the extent possible consider to permit an allowance based on technology, fuel ,market risk, environmental benefits and social contribution etc., of each type of renewable source.
- 7) While determining the Tariff, the Commission shall consider appropriate operational and financial parameters.
- 8) The Commission may follow the process mentioned below for determination of Tariff for cogeneration and renewable energy project.
 - a. Invite Tariff proposals from Licensee/Generating Companies for different categories of renewable energy project.
 - b. Inviting Public response on the proposals of the Licensee /Generating Companies.
 - c. Public hearing on the above.
 - d. Issue order on the Tariff for the purchase of electricity from renewable sources.
- 9) The Tariff so determined by the Commission shall be applicable for a period 10 years from the date as notified by the Commission.
- 10) The Tariff so determined by the Commission is subject to review after 5 years and such revised tariff shall be applicable to agreements entered into after that date.

5. EFFECT OF DEFAULT ON POWER PURCHASE OBLIGATION:-

Where any licensee fails to purchase the required percentage of power, the Licensee shall be liable for penalty as may be decided by the Commission under Section 142 of the Act. No penalty shall , however , be levied if such defaulter proves to the satisfaction of the Commission that there is no availability of such power within the State for purchase within the ceiling rates prescribed at Regulation 3.1 inspite of best endeavour of the Licensee to procure it.

6. POWER TO REMOVE DIFFICULTIES:-

The Commission shall *sou motu* or on an application from any person generating electricity from renewable sources or a buyer / licensee may review these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these Regulations.

7. POWER TO AMEND:-

The Commission may from time to time *add, vary, alter, modify* or amend any provisions of these regulations.

By Order of the Commission

(Er.D.Chakraborty)

Secretary

Tripura Electricity Regulatory Commission.

Place: Agartala
Date: 23rd March, 2009