

# THE ASSAM GAZETTE

### অসাধাৰণ EXTRAORDINARY

## প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত PUBLISHED BY THE AUTHORITY

নং 387 দিশপুৰ, উক্লবাৰ, 31 ডিকেমৰ, 2010, 10 পুৰু, 1932 (শক) No. 387 Dispur, Friday, 31st December, 2010, 10th Puasha, 1932 (S.E.)

### GOVERNMENT OF ASSAM ORDERS BY THE COVERNOR ASSAM ELECTRICITY REGULATORY COMMISSION

#### NOTIFICATION

The 31<sup>st</sup> October, 2010

**No. AERC.22/2010/:** In exercise of the powers conferred under clauses (b) and (e) of subsection (1) of section 86, sub-section (1) of section 181 and clause (zp) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it on that behalf, the Assam Electricity Regulatory Commission makes the following regulations :-

#### 1. Short title, extent and commencement:

- These regulations may be called the Assam Electricity Regulatory Commission (Procurement of Electricity from Projects / Schemes covered under 'Rooftop PV & Small Solar Power Generation Programme' (RPSSGP) - Category 1 Projects under Jawaharlal Nehru National Solar Mission) Regulations, 2010.
- (2) These regulations shall extend to the whole of the State of Assam.
- (3) These regulations shall come into force from the date of their publication in the Assam Gazette

#### 2. Jawaharlal Nehru National Solar Mission (JNNSM):

#### 2.1 The Mission:

The Government of India has recently launched the Jawaharlal Nehru National Solar Mission (hereinafter mentioned as JNNSM), which is a major initiative of the Government of India and State Governments to promote ecologically sustainable growth while addressing India's energy security challenge.

#### 2.2 The Mission targets:-

- (a) To create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022.
- (b) To ramp up capacity of grid-connected solar power generation to 1000 MW within three years – by 2013; an additional 3000 MW by 2017 through the mandatory use of the renewable purchase obligation by utilities backed with a preferential tariff. This capacity can be more than doubled – reaching 10,000MW installed power by 2017 or more, based on the enhanced and enabled international finance and technology transfer. The ambitious target for 2022 of 20,000 MW or more, will be dependent on the 'learning' of the first two phases, which if successful, could lead to conditions of grid competitive solar power. The transition could be appropriately up scaled, based on availability of international finance and technology.
- (c) To create favourable conditions for solar manufacturing capability, particularly solar thermal for indigenous production and market leadership.
- (d) To promote programmes for off grid applications, reaching 1000 MW by 2017 and 2000 MW by 2022.
- (e) To achieve 15 million sq. meters solar thermal collector area by 2017 and 20 million by 2022.
- (f) To deploy 20 million solar lighting systems for rural areas by 2022.

#### **3.** Scope of these Regulations:

In order to encourage setting up of grid connected Rooftop Solar PV and other SmallSolar Power Plants connected at distribution network at voltage levels below 33 KV envisaged under phase I of the Jawaharlal Nehru National Solar Mission (JNNSM), the Ministry of New and Renewable Energy (MNRE), Govt. of India, has launched a Programme on Generation Based Incentives (hereinafter mentioned as GBI) on 16<sup>th</sup> June, 2010. The programme is named as 'Rooftop PV & Small Solar Power Generation Programme' (hereinafter mentioned as RPSSGP). The target is to set up 100 MW by 31st March, 2013 through this programme.

The projects under this programme have been divided in to two categories:-

**Category 1**: With proposed installed capacity of 100 KW to 2 MW, with total installed capacity of 90 MW connected at below 33 KV.

**Category 2**: With less than 100 KW capacity with total installed capacity of 10 MW connected at LT level i.e. at 400 volts for 3-phase or 230 volts for 1-phase. The issues related to grid integration, metering, measurement and energy accounting for projects to be connected at LT level with installed capacity lower than 100 KW is complex. As such, MNRE has issued the guidelines dated 16.06.2010 applicable only for Category-1 projects with installed capacity of 100 KW to 2 MW.

The key features of RPSSGP are as under:

- (i) The project shall be designed for completion before March, 31, 2013.
- (ii) The project shall be connected to HT below 33 KV.
- (iii) The distribution licensee of the area will sign a Memorandum of Understanding (MoU-1) with the Generator (Project Proponent). The PPA would supersede MoU.

- (iv) The tariff tenure shall be for 25 years on levelized basis.
- (v) The distribution licensee of the area will have to sign a Memorandum of Understanding (MoU-2) with Indian Renewable Energy Development Agency (IREDA) who has been designated as 'Programme Administrator'. Generation Based Incentive (GBI) shall be paid directly to distribution licensee of the area by IREDA for solar power purchased under the PPA.
- (vi) The distribution licensee of the area will provide certificate of power purchased (including deemed purchase corresponding to captive consumption met from solar generation) from the project to IREDA on a monthly basis.
- (vii) The GBI shall be equal to the difference between the tariff determined by the Central Electricity Regulatory Commission (CERC) and the base rate, which will be Rs. 5.50/ kwh in the first fiscal year of the commissioning i.e. FY 2011-12 for projects registered in FY 2010-11. The base rate shall be escalated by 3% every year.

In the guidelines the following have been specified

- Projects schemes from States wherein Tariff tenure for duration of 25 years with Tariff structure on levellised basis has been determined by SERCs shall alone be considered to be eligible to participate in this Programme (RPSSGP).
- The target of capacity addition of projects of size 100KW to 2 MW to be connected at HT level under the programme is 90 MW.
- The date of commencement of registration process for initial short listing by Programme Administrator (Indian Renewable Energy Development Agency) is 15<sup>th</sup> July, 2010 and the initial short list shall be announced on 16<sup>th</sup> of August, 2010.

These Regulations are made to meet the limited purpose of fulfilling the mandatory requirement of the MNRE Guidelines dated 16<sup>th</sup> June, 2010 for inclusion of projects (Category 1) from Assam in the 'Rooftop PV & Small Solar Power Generation Programme' (RPSSGP).

These Regulations will enable the prospective and willing generators from this State to participate in the selection process for getting benefit under the programme.

For other solar & renewable energy projects the provisions of the AERC 'Cogeneration and Generation of Electricity from Renewable Sources of Energy' Regulations, 2009 shall be applicable.

#### 4. Fixing of Tariff:

#### 4.1 General Principles

#### 4.1.1 Control Period or Review Period

(1) The Control Period or Review Period under these Regulations shall be for 3(three) years, of which the first year shall be the period from the date of notification of these Regulations up to March 31, 2011.

Provided that the benchmark capital cost for Rooftop PV and Other Small Solar Power Projects may be reviewed annually by the State Commission.

Provided further that the generic tariff fixed for Rooftop and Other Small Solar projects applicable for the year 2010-11 shall also apply for such projects during the year 2011-12 subject to the conditions that the Power Purchase Agreement in respect of such solar projects are signed on or before March 31, 2011and entire capacity covered by Power Purchase Agreements is commissioned on or before March 31, 2013.

(2) Subject to conditions that the tariff determined under these Regulations for such projects commissioned during the Control Period, shall continue to be applicable for the entire duration of the Tariff Period.

#### 4.1.2 Tariff Period

- (1) The tariff period for Rooftop PV and Other Small Solar Power Projects shall be twenty five (25) years.
- (2)Tariff period shall be considered from the date of commercial operation of the solar power generating systems.
- Tariff determined as per these Regulations shall be applicable for the entire duration of (3) the Tariff Period

#### 4.2 Tariff for the year 2010-11

- 4.2.1. For projects to be taken up under RPSSGP the applicable tariff shall be the levelised tariff (for 25 years) as determined by the Central Electricity Regulatory Commission (CERC) including the annual tariff determined by CERC from time to time for such projects will also be applicable to the projects taken up in Assam.
- 4.2.2. The base rate which has been mentioned in the JNNSM guidelines as Rs. 5.50 per Kwh shall be applicable for the financial year 2010-11. This base rate for projects to be commissioned during each subsequent year shall be modified at escalation factor of 3% per annum. The base rate fixed for a project shall remain constant over period of 25 years (i.e. Tariff period of a project).

#### 5. **Others:**

While implementing the Projects all procedural formalities envisaged in the MNRE Guidelines to be complied with and Technical requirements are to be met.

By order of the Commission

#### GAURI REGON,

Secretary, Assam Electricity Regulatory Commission.