

RAJASTHAN ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

Jaipur, 24th February, 2014

No. RERC/Secy/ Reg. -107 - In exercise of the powers conferred on it under Section 61 and Section 62 read with Section 181 of the Electricity Act, 2003 (No. 36 of 2003), the Rajasthan Electricity Regulatory Commission, after previous publication, hereby makes the following Regulations to amend 'Rajasthan Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2009.

1. Short title, extent and commencement

(1) These Regulations shall be called '**Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Seventh Amendment) Regulations, 2014**'.

(2) These Regulations shall come into force from April 1, 2014.

2. Amendment in regulation 1:

The following proviso shall be inserted below sub-regulation 2 of regulation 1:

"Provided that Regulations applicable to Bio-mass and Biogas power plants shall continue to be in force upto FY 2014-15."

3. Amendment in regulation 2:

A new entry "(i)" shall be inserted below the entry (h) at sub-regulation 71 of existing regulation 2 as under:

"(i) Biogas Power Project: 20 years".

4. Amendment in regulation 4:

A proviso shall be inserted below the existing regulation 4 as under:

"Provided that for Biomass and Biogas power projects, the control period stands extended upto March 31, 2015."

5. Amendment in Regulation 82

(1) Sub-regulation 1(a) of existing regulation 82 shall be replaced by the following:

“82(1)(a) Tariff for electricity supply to the distribution licensee by biomass power plants, for which Power Purchase Agreements (PPA) have been executed under GoR policy of 1999 and commissioned before 30.09.2008 shall be as hereunder:

Sr. No.	Renewable Energy Generation during the year	Tariff in Rs. Per kWh for Biomass power plants under GoR policy of 11.3.99
1	1998-99	2.7500
2	1999-00	2.8875
3	2000-01	3.0319
4	2001-02	3.1835
5	2002-03	3.3426
6	2003-04	3.5098
7	2004-05	3.6853
8	2005-06	3.8695
9	2006-07	4.0630
10	2007-08	4.2662
11	2008-09	4.4795
12	2009-10	4.7034
13	2010-11	4.9386
14	2011-12	5.1855
15	2012-13	5.4448
16	2013-14	5.7171
17	2014-15	6.0029

(2) A new sub-regulation 3 shall be inserted below the sub-regulation 2 of regulation 82 as under:

“(3) Tariff for plant under REC Mechanism

In case a Biomass generator desires to switch over from the REC mechanism to preferential tariff mechanism under regulation 12(2) of RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010, and if the Discoms agree to purchase considering the scope to accommodate the same in RPO target, the year wise generic

tariff determined in accordance with RERC Tariff Regulations 2009 including amendments thereof for sale of energy to Distribution Licensee in respect of the plants commissioned in the year in which the said generation plant was commissioned shall be applicable for its remaining years of useful life from the date of such switch over.”

6. Amendments in Regulation 83

(1) The first para of sub-regulation 7 of regulation 83 shall be replaced by the following:

“(7) The performance parameters for tariff determination of biomass power plants for the year 2014-15 shall be as under:”

(2) The year “2013-14” appearing in sub-regulation 7(b) of regulation 83 shall be replaced by the year “2014-15”.

(3) The entry relating to capital cost at serial no. (i) in the table in regulation 7(b) shall be replaced by the following:

Parameters	Water Cooled Condenser	Air Cooled Condenser
(i) Capital Cost*	Rs.526 Lakh/MW	Rs.561 Lakh/MW

(4) The existing regulation 83(7)(b)(v) (a) and (b) shall be replaced by the following:

“(v) After coming into effect of the ‘Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff)(Seventh Amendment) Regulations, 2014’, Biomass fuel price shall be Rs 2450 /MT for FY 2014-15 for power plants commissioned during the control period (2009-15). This price shall be subject to revision prospectively during the course of the year through a separate order based on recommendations of the State level

Committee constituted by the Commission consisting of representatives of Nodal Agency, State Government, Distribution Licensee and any other organisation(s) as decided by the Commission. The variable charges for FY 2014-15 shall be determined as per provisions of regulation 84(1)."

- (5) The note (iii) appearing below the sub-regulation 7(b)(xi) of regulation 83 shall be replaced by the following:

"iii. In respect of sale of energy to the distribution licensee, the metering for the purpose of energy accounting for Biomass and Biogas energy plants shall be at the line isolator on the outgoing feeder on HV side of the generator transformer:

Provided that the plants already commissioned upto 31.03.2014 would be governed by the then applicable provision.

Provided further that in case of open access or sale of power under REC mechanism, the metering would be at EHV substation of transmission licensee or HV station of distribution licensee as the case may be"

- (6) **Insertion of new sub-regulation 8:** The following sub-regulation 8 shall be inserted after sub-regulation 7 of existing regulation 83 as under:

"Norms for Generic Tariff determination for Biogas Power Projects

83(8) The performance parameters for determination of biogas power plants for FY 2014-15 shall be as under:

For the purpose of generic tariff determination for Biogas Power projects, the financial principles and other principles, as applicable for Biomass power plants, shall also be applicable, except the following:

Parameters	Biogas Power Projects
(i) Capital Cost* (Less capital subsidy of GoI) Net Capital Cost	Rs. 1153 Lakh/MW (Rs 300 Lakh/MW) Rs. 853 Lakh/MW
(ii) Specific Fuel Consumption	3 kg/kWh
(iii) Auxiliary Consumption	12%

Note: Normative Capital Cost at Sr. no (i) includes transmission system cost upto the interconnection point and connectivity charges of Rs 2 Lakh/MW.

(iv) Plant Load Factor (PLF): Plant Load Factor for Biogas power projects shall be 85%.

(v) Feedstock Cost: Feed stock price for the year FY 2014-15 shall be Rs.1175/MT (net of any cost recovery from digester effluent). The Feedstock price for subsequent years would be escalated in the manner as specified by CERC. The variable charges for FY 2014-15 shall be determined as per provisions of regulation 84(2).

(vi) O&M Expenses: The normative O&M expenses for FY 2014-15 shall be Rs. 44.71 Lakh/MW."

7. Amendments in Regulation 84:

Regulation 84 shall be replaced by the following:

"84. Fuel price mechanism for Biomass and Biogas power projects:

(1) The variable charges for Biomass based power projects for FY 2014-15 after coming into the effect of 'Rajasthan Electricity Regulatory Commission (Terms and Conditions for determination of

Tariff)(Seventh Amendment) Regulations, 2014' shall be determined as under:

$$VC = [\text{Station Heat Rate (SHR)/Gross Calorific Value (GCV)}] \times [1/(1 - \text{Aux Consum. Factor})] \times (P/ 1000)$$

P = Rs. 2450 per Metric Tonne for FY 2014-15 or as determined as per regulation 83(7)(b)(v).

- (2) The variable charges for Biogas based power projects for FY 2014-15 after coming into the effect of 'Rajasthan Electricity Regulatory Commission (Terms and Conditions for determination of Tariff)(Seventh Amendment) Regulations, 2014' shall be determined as under:

$$VC = [\text{specific fuel consumption (kg/Unit)}] \times [1/(1 - \text{Aux Consum. Factor})] \times (P/1000)$$

P = Rs.1175 per Metric Tonne for FY 2014-15.

8. Amendment in Regulation 89:

The existing regulation 89 shall be replaced by the following:

"89 Grid Connectivity

- (1) Grid connectivity charges of Rs 2 Lakh per MW shall be payable by Biomass and Biogas power plants to Transmission Licensee or Distribution Licensee, as the case may be.

- (2) The capacity of transmission lines for power injection into the State grid shall be limited to the capacity indicated below:

Provided that for short line length, the envisaged capacity of the line may be considered about 1.2 to 2.0 times the Surge Impedance Loading (SIL) of the line.

S. no.		Total Power fed through a feeder (in MW)			
		11 kV	33 kV	132 kV	220 kV
1	ACSR Panther conductor	3 MW	12 MW	50 MW	-
2	ACSR Dog conductor	2 MW	6 MW	-	-

S. no.	Total Power fed through a feeder (in MW)				
		11 kV	33 kV	132 kV	220 kV
3	ACSR Racoon conductor	1 MW	2 MW	-	-
4	ACSR Zebra	-	-	-	Above 50 MW & up to 150 MW
5	As per SIL for short line	-	-	90 MW	180 MW

9. Amendment in Regulation 90

(1) Sub-regulation 1 of existing regulation 90 shall be replaced by the following:

“(1) Import of power by generating companies:

Energy drawn by the generating station from the grid during shutdown and outages, and for restarting after shutdown, shall be set off against the energy sold to the Distribution Licensee within the State on a quarterly basis.

Provided that in case drawal by the generating station is more than its injection in a month, the excess drawal during the month shall be carried forward to the subsequent month and so on. Such cumulative excess drawal, if any, shall be settled on quarterly basis at energy charges of tariff applicable to a Large Industrial consumer. The first quarter would begin from April 1 of the relevant year:

Provided that where sale to Distribution Licensee is not being affected or where sale to distribution licensee is under REC mechanism, such drawal from the grid shall be billed at tariff for temporary supply applicable to HT Industrial consumer (tariff category HT-5) on daily basis.”

- (2) Sub-regulation 2 of existing regulation 90 shall be replaced by the following:

“(2) kVArh charges:

Net kVArh drawal by Biomass and Biogas power plants from the Grid shall be billed at 12 paise/kVArh w.e.f 01.04.2014 escalated annually at 0.50 paise/kVArh unless otherwise revised by the Commission by Order.”

- (3) Sub-regulation 3 of existing regulation 90 shall be replaced by the following:

“(3) Transmission & wheeling charges:

In case of third party sale or for captive use both within the State or outside the State, the transmission charges and wheeling charges shall be recovered in cash and transmission losses and wheeling losses shall be recovered in kind as under:

- (a) For use of transmission network, transmission charges and losses as determined by the Commission in respect of open access transactions would be applicable.
- (b) For use of distribution licensee’s network, the wheeling charges and losses as determined by the Commission in respect of open transactions at respective voltage levels at which electricity is supplied would be applicable.
- (c) For use of both EHV and distribution network, both transmission and wheeling charges as well as losses, as applicable, shall be payable:

Provided that in case of Power Purchase Agreements executed and plants commissioned upto 31.03.2007 under the State Government Policies specified in regulation 82, the charges as per Policy shall be applicable unless RE power plant opts otherwise."

10. The existing regulation 91 shall be deleted.

11. Amendment in Regulation 92

The existing regulation 92 shall be replaced by the following:

"92. Banking

(1) Energy shall be allowed to be banked at consumption end for only captive consumption within the State.

(2) Period of banking:

The banking shall be on monthly basis.

(3) Energy Accounting:

(a) RE Power Generator/Developer shall intimate to SLDC and to the concerned Distribution Licensee on first day of every month, out of available energy for that particular month, the quantum of energy it wishes to bank for captive consumption within the State:

Provided that where no such intimation is received on or before first day of the month, the intimation last received would become applicable for the month.

(b) The banked energy in a month shall not exceed the quantum of energy injected in the grid in the month. In case the energy injected in the month is lower than indicated banked energy, the banked energy would be deemed to get restricted upto the energy injected.

- (c) The RE Power Generator/Developer would be entitled to get payment @60% of energy charges applicable for large industrial power tariff, excluding fuel surcharge, if any, in respect of 10% of unutilized banked energy after the end of month of banking. Unutilized banked energy, in excess of 10% shall lapse.
- (4) The Distribution Licensee shall make the payment, if any, on or before the last working day of the month, next to the relevant month of banking, beyond which, the Late Payment Surcharge (LPS) at the rate, as specified in these Regulations, would become applicable.
- (5) Banking charges at the rate of 2% of banked energy in each month would be payable in kind."

12. Insertion of new Regulation: A new regulation 135 shall be inserted after the existing regulation 134 as under:

"135. Deviation from provisions of these Regulations

The Commission may deviate from any of the provisions contained in these Regulations on a suo-motu basis having regard to the circumstances of the case:

Provided that the reasons for such deviation shall be recorded in writing."

By Order of the Commission

Secretary