HARYANA ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations 2010 Notification Dated: 3rd February, 2011 with Amendments dated 05-09-2011, 25-11-2011and 15.7. 2014

Sl. No	Description	Summary
1.	**Short Title, Commencement, extent of Application and Interpretation**	(i) Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2010. (ii) 1st amendment dated 05-09-2011 (iii) 2nd amendment dated 25-11-2011 (iv) 3rd amendment dated 15.7. 2014 – Regulations 2014
2.	**Definitions**	As per Regulations
3	**Date of Enforcement**	From the date of publication in the Haryana gazette and shall extend to the state of Haryana
4.	**Eligibility Criteria**	For the purpose of these regulations a project shall be treated as renewable energy power project only if it meets the following criteria: (a) Wind power project – located at the wind sites having minimum annual mean Wind Power Density (WPD) of 200 Watt/m^2 measured at hub height of 50 meters and using new wind turbine generators (b) Small hydro project – located at the sites approved by State Nodal Agency / State Government / self identified sites using new plant and machinery, and installed power plant capacity to be lower than or equal to 25 MW at single location. (c) Biomass power project – Using new plant and machinery using biomass fuel sources, provided use of fossil fuel is restricted only to 15% of total fuel consumption on annual basis. (d) Non-fossil fuel based Co-generation project: The project shall qualify to be termed as a non-fossil fuel based co-generation project, if it is using new plant and machinery and is in accordance with the definition and also meets the qualifying requirement outlined below: Topping cycle mode of Co-generation – Any facility that uses non-fossil fuel input for the power generation and also utilizes the thermal energy generated for useful heat applications in other industrial activities simultaneously. Provided that for the co-generation facility to qualify under topping cycle mode, the sum of useful power output and one half the useful thermal output be greater than 45% of the facility's energy consumption, during season.
		Norms
5.	**Control Period or Review Period.**	The first Control Period or Review Period under these Regulations shall be of three years, of which the first year shall be the period from the date of notification of these regulations to 31st March, 2011(Note: In principal Regulations dated 3.2.2011) • Provided that the benchmark capital cost for Solar PV and Solar thermal projects may be reviewed annually by the Commission. • Provided further that the tariff determined as per these Regulations for the RE projects commissioned during the Control Period, shall continue to be applicable for the entire duration of the Tariff Period as specified in Regulation 4 below. • The tariff norms as per these Regulations shall continue to remain applicable until notification of the revised Regulations subject to adjustments as per revised Regulations.

6.	**Tariff Period**	• To their respective project life or reckoned with the period provided in the PPA as the case may be. • From the date of commercial operation of the renewable energy generating stations. • Tariff determined applicable for Renewable Energy power projects, only for the duration of the Tariff Period as stipulated under Regulation 5(i). • PPA (s) signed by the distribution licensee (s) on the basis of tariff determined by the Commission in its orders dated15th May, 2007 and 6th November, 2009 on renewable energy before the notification of these regulations shall remain valid for the tariff period as per the PPA. Such cases shall not be reopened in view of the norms provided in these regulations. However, after notification of these regulations, the aforesaid orders of the Commission shall not remain effective.
7	**Project Specific Tariff**	(i) Project specific tariff, on case to case basis, shall be determined by the Commission for the following types of projects: (a) Municipal Solid Waste Projects (b) Poultry litter (c) Mixed feed (d) Any other new renewable energy technologies approved by MNRE (e) The renewable energy projects which have been commissioned before the notification of these Regulations but for which no power purchase agreement has been signed until the date of notification of these Regulations. (f) Solar PV and Solar Thermal Power projects, if a project developer opts for project specific tariff: Provided that the Commission while determining the project specific tariff for Solar PV and Solar Thermal shall be guided by the Technology Specific parameters for Solar PV Power Projects of these Regulations. (g) Hybrid Solar Thermal Power plants (h) Biomass project other than that based on Rankine Cycle technology application with water cooled / air cooled condenser. (ii) Determination of Project specific Tariff for generation of electricity from such renewable energy sources shall be in accordance with such terms and conditions as stipulated under relevant Orders of the Commission. Provided that the financial norms as specified under Financial Principles of these Regulations, except for capital cost, shall be ceiling norms while determining the project specific tariff.
8	**Petition and Proceedings for Determination of Tariff.**	(i) As per Regulations (ii) Notwithstanding anything contained in these regulations, (a) the generic tariff determined for Solar PV projects based on the capital cost and other norms applicable for the year 2010-11 shall also apply for such projects during the year 2011-12; and (b) the generic tariff determined for Solar thermal projects based on the capital cost and other norms for the year 2010-11 shall also apply for such projects during the years 2011-12 and 2012-13, provided that (i) the Power Purchase Agreements in respect of the Solar PV projects and Solar thermal projects as mentioned in this clause are signed on or before 31st March, 2011; and entire capacity covered by the Power Purchase Agreements is commissioned on or before 31st March, 2012 in respect of Solar PV projects and on or before 31st March, 2013 in respect of Solar thermal projects.
9.	**Tariff Structure**	Single Part Tariff consisting of the following fixed cost components: (a) Return on equity; (b) Interest on loan capital; (c) Depreciation; (d) Interest on working capital including margin money; (e) Operation and maintenance expenses; Provided that for renewable energy technologies having fuel cost component, like biomass power projects and non-fossil fuel based cogeneration, single part tariff with two components, fixed cost component and fuel cost component, shall be determined. The fuel cost component may be subjected to escalation factor.

10.	**Tariff Design**	(i) The generic tariff shall be determined on levellised basis for the Tariff Period Provided that for renewable energy technologies having single part tariff with two components, tariff shall be determined on levellised basis considering the year of commissioning of the project for fixed cost component while the fuel cost component shall be specified on year of operation basis. (ii) For the purpose of levellised tariff computation, the discount factor equivalent to weighted average cost of capital or by other appropriate discounting factor shall be considered. (iii) Levellised tariff shall be specified for the period equivalent to the 'Tariff Period'.
11	**Despatch Principles for Electricity generated from Renewable Energy Sources**	(i) All renewable energy power plants except for Biomass power plants with installed capacity of 10 MW and above, and non-fossil fuel based Cogeneration plants shall be treated as 'MUST RUN' power plants and shall not be subjected to 'merit order despatch' principles. (ii) The Biomass power generating station with an installed capacity of 10 MW and above and non-fossil fuel based Co-generation projects shall be subjected to scheduling and despatch code as specified under Haryana Grid Code (HGC) and other relevant regulations including amendments thereto.
	Financial Principles	
12	**Capital Cost**	The norms for the Capital cost as specified in the subsequent technology specific chapters shall be inclusive of all capital work including plant and machinery, initial spares, civil work, erection and commissioning, financing and interest during construction, and evacuation infrastructure up to inter-connection point. Provided that for project specific tariff determination, the generating company shall submit the break-up of capital cost items along with its petition in the manner specified under Regulation 7.
13	**Debt Equity Ratio**	(i) For generic tariff to be determined based on suo motu petition, the debt equity ratio shall be 70:30. (ii) For Project specific tariff, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff. Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.
14	**Loan and Finance Charges**	(i) For the purpose of determination of tariff, loan tenure of 10 years shall be considered. (ii) (a) The loans arrived at in the manner indicated above shall be considered as gross normative loan for calculation for interest on loan. The normative loan outstanding as on April 1st of every year shall be worked out by deducting the cumulative repayment up to March 31st of previous year from the gross normative loan. (b) For the purpose of computation of tariff, the normative interest rate shall be considered as average long term prime lending rate (LTPLR) / Base Rate of State Bank of India (SBI) prevalent during the previous year. (c) Notwithstanding any moratorium period availed by the generating company, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.
15	Depreciation	(i) The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. The Salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the Capital Cost of the asset. (ii) Depreciation per annum shall be based on 'Differential Depreciation Approach' over loan tenure and period beyond loan tenure over useful life computed on 'Straight Line Method'. The depreciation rate for the first 10 years of the Tariff Period shall be 7% per annum and the remaining depreciation shall be spread over the remaining useful life of the project from 11th year onwards. (iii) Depreciation shall be chargeable from the first year of commercial operation. Provided that in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

16	**Return on Equity**	(i) The value base for the equity shall be 30% of the capital cost or actual equity (in case of project specific tariff determination) as determined under Regulation (ii) The normative Return on Equity shall be: (a) 16% per annum on normative Equity Capital (b) Applicable MAT/Corporate Tax shall be separately allowed in the tariff.
17	**Interest on Working Capital**	(i) The Working Capital requirement in respect of Wind energy projects, small Hydro power, Solar PV and Solar thermal power projects shall be computed in accordance with the following : (a) Operation & Maintenance expenses for one month; (b) Receivables equivalent to Two months of energy charges for sale of electricity calculated on the normative CUF; (c) Maintenance spare @ 15% of operation and maintenance expenses. (ii) The Working Capital requirement in respect of biomass power projects and non-fossil fuel based co-generation projects shall be computed in accordance with the following clause: (a) Fuel costs for four months at normative PLF; (b) Operation & Maintenance expense for one month; (c) Receivables equivalent to Two months of fixed and variable charges for sale of electricity calculated on the target PLF; (d) Maintenance spare @ 15% of operation and maintenance expenses. (iii) Interest on Working Capital shall be at interest rate equivalent to average State Bank of India short term PLR / Base Rate during the previous year.
18	**Operation and Maintenance Expenses**	(1) Operation and Maintenance or O&M expenses' shall comprise repair and maintenance (R&M), establishment including employee expenses, and administrative and general expenses. (2) Operation and maintenance expenses shall be determined for the Tariff Period based on normative O&M expenses specified by the Commission subsequently in these Regulations for the first Year of Control Period. (3) Normative O&M expenses allowed during first year of the Control Period and shall be escalated at the rate of 5.72% per annum over the Tariff Period.
19	**Rebate**	(1) For payment of bills of the generating company through letter of credit, a rebate of 2% shall be allowed. (2) Where payments are made other than through letter of credit within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.
20	**Late payment surcharge**	In case the payment of any bill for charges payable under these regulations is delayed beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month shall be levied by the generating company.
21	**Sharing of CDM Benefits**	The proceeds of carbon credit from approved CDM project shall be shared between generating company and concerned beneficiaries in the following manner: (a) 100% of the gross proceeds on account of CDM benefit to be retained by the project developer in the first year after the date of commercial operation of the generating station; (b) In the second year, the share of the beneficiaries 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.
22	**Subsidy or Incentive by the Central / State Government**	• The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation benefit if availed by the generating company, for the renewable energy power plants while determining the tariff under these Regulations. • Provided that the following principles shall be considered for ascertaining income tax benefit on account of accelerated depreciation, if availed, for the purpose of tariff determination: (a) Assessment of benefit shall be based on normative capital cost, accelerated depreciation rate as per relevant provisions under Income Tax Act and corporate income tax rate.

		(b) Capitalisation of RE projects during second half of the fiscal year. Per unit benefit shall be derived on levellised basis at discount factor equivalent to weighted average cost of capital or any other appropriate discounting factor considered by the Commission.
23	**Taxes and Duties**	Tariff determined under these regulations shall be exclusive of taxes and duties as may be levied by the appropriate Government. Any tax on generation shall be allowed as pass through on actual incurred basis subject to production of documentary evidence by the generating company.
		Technology Specific Parameters for Wind Energy
24	**Capital Cost**	(i) The capital cost for Wind energy project shall include Wind turbine generator including its auxiliaries, land cost, site development charges and other civil works, transportation charges, evacuation cost up to inter-connection point, financing charges and IDC. (ii) The capital cost for wind energy projects shall be Rs. 5.15 Crores/MW (FY 2010-11 during first year of Control Period) and shall be linked to indexation formula as outlined under Regulation 25.
25	**Capital Cost Indexation Mechanism**	As per Regulations
26	**Capacity Utilisation Factor**	CUF norms for the control period shall be as follows: (see table below) The annual mean Wind power density specified above shall be measured at 50 meter hub-height.
27	**Operation and Maintenance Expenses**	Normative O&M expenses for the first year of the Control Period (i.e. FY 2010- 11) shall be Rs. 6.50 Lakh per MW shall be escalated at the rate of 5.72% per annum over the tariff period to compute the levellised tariff and .
		Technology specific parameters for Small Hydro Project
28	**Capital Cost.**	(i) The normative capital cost for small hydro projects during first year of Control Period (FY 2010-11) shall be as follows: (see table below) (ii) The capital cost for subsequent years shall be determined on the basis of indexation formula as outlined under Regulation 29.
29	**Capital Cost Indexation Mechanism**	As per Regulations
30	**Capacity Utilisation Factor**	56%. The normative CUF shall be net of free power to the State, if any, and any quantum of free power if committed by the developer over and above the normative CUF shall not be factored into the tariff.
31	**Auxiliary Consumption**	Normative Auxiliary Consumption for the small Hydro projects shall be 1.0%.
32	**Operation and Maintenance Expenses**	(i) Normative O&M expenses for the first year of the Control period (i.e. FY 2010- 11) shall be as follows: (see table below)

Item 26:

Annual Mean Wind Power Density (W/m^2)	CUF
200-250	20%
250-300	23%
300-400	27%
> 400	30%

Item 28:

Size of project	Capital Cost (Rs. in Crores)
Below 5 MW	5.50
5 MW to 25 MW	5.00

Item 32:

Project size	O&M Expenses (Rs. In Lakhs)
Below 5 MW	17
5 MW to 25 MW	12

		(ii) Normative O&M expenses allowed under these Regulations shall be escalated at the rate of 5.72% per annum for the Tariff Period for the purpose of determination of levellised tariff.
Technology Specific Parameters for Biomass based Power Projects		
33	**Technology Aspect**	The norms for tariff determination specified hereunder are for Biomass power projects based on Rankine cycle technology application using water cooled condenser.
34	**Capital Cost**	(i) The normative capital cost for the Biomass power projects equipped with water cooled condensers shall be Rs.4.50 Crores/MW (FY 2010-11 during first year of Control Period) and shall be linked to indexation formula as outlined under Regulation 35. (ii) The normative capital cost for the biomass power projects equipped with air cooled condenser with steam turbine shall be Rs. 4.75 Crores/MW (FY 2010-11 during first year of Control Period) and shall be linked to indexation formula as outlined under Regulation 35
35	**Capital Cost Indexation Mechanism**	As per Regulations
36.	**Plant Load Factor**	(i) Threshold Plant Load Factor for determining fixed charge component of Tariff shall be: (a) During Stabilisation: 60% (b) During the remaining period of the first year (after stabilization) : 70% (c) From 2nd Year onwards: 80 % (ii) The stabilisation period shall not be more than 6 months from the date of commissioning of the project.
37	**Auxiliary Consumption**	10% for the determination of tariff.
38	**Station Heat Rate**	3800 kCal /kWh
39	**Operation and Maintenance Expenses**	(i) Normative O&M expenses for the first year of the Control period (i.e. FY 2010- 11) shall be Rs.20.25 Lakh per MW. (ii) Normative O&M expenses allowed at the commencement of the Control Period (i.e. FY 2010-11) and shall be escalated at the rate of 5.72% per annum.
40	**Fuel Mix**	As per Regulations
41	**Use of Fossil Fuel**	The use of fossil fuels shall be limited to the extent of 15% of total fuel consumption on annual basis.
42	**Monitoring Mechanism for the use of Fossil fuel**	As per Regulations
43	**Calorific Value**	3458 kCal/kg. for determination of tariff
44	**Fuel Cost**	Biomass fuel price during first year of the Control Period shall be Rs. 1906/MT and shall be linked to indexation formulae as specified under Regulation 45. Alternatively, for each subsequent year of the Tariff Period, the normative escalation factor of 5% per annum shall be applicable at the option of the biomass project developer.
45	**Fuel Price Indexation Mechanism**	As per Regulations
Technology Specific Parameters for Non-fossil fuel based Cogeneration Projects		
46	**Technology Aspect**	A project shall qualify as a non-fossil fuel based Co-generation project, if it is in accordance with the eligibility criteria as specified under Regulation 3(d).
47	**Capital Cost**	The normative capital cost for the non-fossil fuel based cogeneration projects shall be Rs. 4.45 Crores/MW for the first year of Control Period (i.e. FY 2010-11), and shall be linked to indexation formula as outlined under Regulation 48.
48	**Capital Cost Indexation Mechanism**	As per Regulations

49	**Plant Load Factor**	(i) For the purpose of determining fixed charge, the plant load factor for non-fossil fuel based cogeneration projects shall be computed on the basis of plant availability for number of operating days considering operations during crushing season and off-season as specified under sub regulation (2) below and load factor of 85%. (ii) The number of operating days for the State of Haryana shall be 150 days (crushing) + 60 days (off-season) = 210 days operating days and the Plant Load Factor shall be 53%.
50	**Auxiliary Consumption**	8.5% for the computation of tariff
51	**Station Heat Rate**	3600 kCal / kWh for power generation component alone shall be considered for computation of tariff for non-fossil fuel based Cogeneration projects.
52	**Calorific Value**	The Gross Calorific Value for Bagasse shall be considered as 2250 kCal/kg. For the use of Biomass fuels other than Bagasse, calorific value as specified under regulation 43 shall be applicable.
53	**Fuel Cost**	(i) The price of Bagasse shall be 600(Rs./MT) and shall be linked to indexation formulae as outlined under Regulation 54. Alternatively, for each subsequent year of the Control Period, the normative escalation factor of 5% per annum shall be applicable at the option of the project developer. (ii) For use of Biomass other than Bagasse in Co-generation projects, the Biomass prices as specified under Regulation 45 shall be applicable.
54	**Fuel Price Indexation Mechanism**	As per Regulations
55	**Operation and Maintenance Expenses**	Normative O&M expenses during first year of the Control Period shall be Rs. 13.35 Lakh per MW and shall be escalated at the rate of 5.72% per annum..
Technology Specific Parameters for Solar PV Power Project		
56	**Technology Aspects**	Applicable for grid connected PV systems that directly convert solar energy into electricity and are based on the technologies such as crystalline silicon or thin film etc. as may be approved by MNRE.
57	**Capital Cost.**	Normative capital cost -Rs. 17.00 Crores/MW for FY 2010-11. Provided that the Commission may deviate from above norm in case of project specific tariff determination
58	**Capacity Utilisation Factor**	19%. Provided that the Commission may deviate from above norm in case of project specific tariff determination
59	**Operation and Maintenance Expenses**	Rs. 9 Lakhs/MW for the 1st year of operation and shall be escalated at the rate of 5.72% per annum.
Technology Specific Parameters for Solar Thermal Power Project		
60	**Technology Aspects**	Applicable for Concentrated Solar Power (CSP) technologies viz. line focusing or point focusing, as may be approved by MNRE, and uses direct sunlight, concentrating it several times to reach higher energy densities and thus higher temperatures whereby the heat generated is used to operate a conventional power cycle to generate electricity.
61.	**Capital Cost**	Normative capital cost - Rs. 13.00 Crores/MW for FY 2010-11. Provided that the Commission may deviate from the above norm in case of project specific tariff determination
62	**Capacity Utilisation Factor**	23%. Provided that the Commission may deviate from the above norm in case of project specific tariff determination
63	**Operation and Maintenance Expenses**	O&M Expenses shall be Rs.13 Lakhs/MW for 1st year operation. Normative O&M expenses allowed at the commencement of the Control Period under these Regulations shall be escalated at the rate of 5.72% per annum.

<table>
<tr><td>64</td><td>Auxiliary Consumption</td><td>10%
Provided that the Commission may deviate from the above norm in case of project specific tariff determination</td></tr>
<tr><td colspan="3">Renewable Purchase Obligation (RPO) and Renewable Energy Certificate (REC)</td></tr>
<tr><td>65</td><td>Renewable Purchase Obligation</td><td>(i) Every obligated entity in Haryana shall purchase from renewable energy sources under the Renewable Purchase Obligation (RPO) not less than the quantum of renewable energy as indicated in the table below:-
<table>
<tr><th>Financial Year</th><th>Total RPO (As a Percentage of Total Consumption)</th></tr>
<tr><td>2013-14</td><td>3.00</td></tr>
<tr><td>2014-15</td><td>3.25</td></tr>
<tr><td>20 15-16</td><td>3.50</td></tr>
<tr><td>2016-17</td><td>3.75</td></tr>
<tr><td>20 17-18</td><td>4.00</td></tr>
<tr><td>20 18-19</td><td>4.50</td></tr>
<tr><td>2019-20</td><td>4.75</td></tr>
<tr><td>2020-21</td><td>5.00</td></tr>
<tr><td>2021-22</td><td>5.50</td></tr>
</table>
(ii) Solar power purchase obligation of every obligated entity shall be not less than the quantum of solar renewable energy as indicated in the table below :
<table>
<tr><th>Financial Year</th><th>Solar RPO (as a percentage of total consumption)</th></tr>
<tr><td>2013-14</td><td>0.10</td></tr>
<tr><td>2014-15</td><td>0.25</td></tr>
<tr><td>20 15-16</td><td>0.75</td></tr>
<tr><td>2016-17</td><td>1.00</td></tr>
<tr><td>20 17-18</td><td>1.25</td></tr>
<tr><td>20 18-19</td><td>1.50</td></tr>
<tr><td>20 19-20</td><td>2.00</td></tr>
<tr><td>2020-21</td><td>2.50</td></tr>
<tr><td>2021-22</td><td>3.0</td></tr>
</table>
(iii) In case the renewable energy generating company offers to sell energy generated by it from its renewable energy generating station located in Haryana to the distribution licensee at the rates determined by the Commission, the distribution licensee shall not refuse to purchase power from such generating company, without prior approval of the Commission.</td></tr>
<tr><td>66</td><td>Certificates under the Regulations of the Central Commission</td><td>Subject to the terms and conditions contained in these regulations the Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be 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.
Provided that in the event of the obligated entity fulfilling the renewable purchase obligation by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.</td></tr>
<tr><td>67</td><td>State Agency</td><td>The Commission has designated Haryana Renewable Energy Development Agency (HAREDA) as the State Agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these regulations.</td></tr>
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68	**Effect of Default**	If the obligated entities do not fulfill the renewable purchase obligation as provided in these regulations during any year and also does not purchase the certificates, the Commission may direct the obligated entity to deposit into a separate fund, to be created and maintained by such obligated entity, such amount as the Commission may determine on the basis of the shortfall in the RPO determined under these regulations from time to time at the forbearance price decided by the Central Commission.
		Miscellaneous
69	**Deviation from Norms**	Vested with the Commission
70	**Power to Relax**	Vested with the Commission
71	**Issue of orders or Directions**	Vested with the Commission
72	**Power to amend**	Vested with the Commission
73	**Power to Remove Difficulties**	Vested with the Commission
74	**Grid connectivity and Wheeling charges**	(i) The State Transmission Utility or the transmission licensee other than STU or the distribution licensee, as the case may be, shall bear the cost of EHV / HV transmission line up to a distance of 10 KM from the interconnection point. In case the distance between the interconnection point and point of grid connectivity is more than 10 KMs then cost of the transmission line for the distance beyond the 10 KMs shall be shared equally between the renewable energy developer and the licensee. (ii) Unless otherwise exempted by the Commission the wheeling charges shall be levied @ 2% of energy fed to the grid by the renewable energy developer in case the power is purchased by the distribution licensee. In all other cases wheeling charges or transmission charges, as the case may be, shall be levied at the rates determined by the Commission from time to time. (iii) Provided that the RE Project Developers shall have the option to pay of the actual cost of construction of transmission line (as on date of commissioning) up to a distance of 10 KM from the interconnection point to HVPNL / Discoms, as the case may be, in full or twelve equal monthly installments without any interest cost if the repayment is made in a staggered manner over a period of 12 months and in the intervening period HVPNL/Discoms shall continue to deduct 2% of the energy fed into the grid by the RE Generator. Once the entire amount has been paid off, levy of wheeling charges @ 2% shall be discontinued. This shall be applicable to the RE Projects already commissioned as well as the future projects. However, those who do not opt for this option shall continue to pay 2% of energy fed by them into the grid as wheeling charge.