

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

Terms and Conditions for determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014

Notification Dated : 11th November 2014

Sl. No	Description	Summary
1.	Short Title and Commencement	(i) Meghalaya State Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014. (ii) To come into force from the date of their publication in the Official Gazette of the Government of Meghalaya and unless reviewed earlier or extended by the Commission, shall remain effective up to 31.3.2017.
2.	Definitions	As per Regulations
3.	Scope and extent of application	<ul style="list-style-type: none"> • To apply in all cases where tariffs, for supply of electricity from Renewable Energy Sources to the distribution licensees within the state of Meghalaya, is to be determined by the Commission. • Provided that in cases of Wind, small Hydro projects, Biomass power based on Rankine cycle, Solar PV, Solar Thermal power projects, and Biomass Gasifier power project, these regulations shall apply subject to the fulfillment of eligibility criteria specified in Regulation 4 of these regulations.
General Conditions		
4.	Eligibility Criteria	(i) Generation from all types of Renewable Energy Sources, as approved by Ministry of New and Renewable Energy(MNRE), Government of India shall be considered and such generating stations shall be collectively referred to as “RE based Generating Stations”. (ii) At present, generation from the following sources and technologies shall qualify to be covered under these regulations: <ul style="list-style-type: none"> (a) Wind Power project – using new wind turbine generators (b) Small Hydro Project – located at the sites approved by State Nodal Agency / State Government 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 based on Rankine Cycle technology - Biomass power projects using new plant and machinery based on Rankine Cycle technology and using Biomass fuel sources, provided use of fossil fuel is restricted only to 15% of total fuel consumption on annual basis; (d) Solar PV and Solar Thermal Power Projects – Based on Technologies approved by MNRE. (e) Biomass Gasifier based Power Project – The project shall qualify to be termed as a Biomass Gasifier based power project, if it is using new plant and machinery and having a Grid connected system that uses 100% producer gas engine, coupled with Gasifier technologies approved by MNRE. (iii) Any new source or technology would qualify as “renewable energy”, only after the Commission has approved the technology based on MNRE approval. Further, the Commission shall determine tariffs separately for such technology on case to case basis.
5.	Obligations and duties of the Generating Station	As per Regulations

6.	Sale of Power	All RE based Generating Stations shall be allowed to sell power to the distribution licensee at the rates determined by the Commission or to any consumer (provided that such consumer has been allowed Open Access under Open Access Regulations) or to any person within the State or outside the State at mutually agreed rates provided that such sale outside the State is not in contravention to any Policy notified by the State Government or to any provision of any legally enforceable existing agreement signed by generating company with any person.
7.	Open Access	<p>(i) Open access in the State Transmission/Distribution System shall be allowed to all RE based Generating Stations for captive use and to those covered under Regulation 6, which shall be subject to provisions of these regulations.</p> <p>(ii) Open Access in State Transmission System: A person, who has established the RE based Generating Station shall have right to non-discriminatory open access to the State Transmission System for carrying electricity from his plant by using transmission lines and associated facilities in accordance with Commission's OA Regulations subject to payment of transmission charges and adjustment of average Transmission Losses in kind as determined by the Commission in the relevant tariff orders of the licensees for a particular year.</p> <p>(iii) Open Access in Distribution System:</p> <p>(a) For sale of electricity within the State, non-discriminatory open access to the distribution system shall be available to such RE based Generating Stations and plants, who have entered into an agreement to sell power to any consumer within the State or require power for their own captive use.</p> <p>(b) Open access to State Distribution System may also be available to RE based Generating Station or Co-generating Station for sale of electricity outside the State provided that the Distribution Licensee is in agreement with above Generating Station for wheeling such power outside the State through its system. This will be done in accordance with Commission's OA Regulations.</p> <p>(c) The open access to the distribution system shall be subject to payment of wheeling charges and adjustment of average distribution losses in kind as determined by the Commission in the relevant tariff orders of the licensees for a particular year.</p> <p>(d) The "open access" to the Distribution System shall be subject to the availability of surplus distribution capacity in the Distribution System.</p>
Tariff – General Principles		
8.	Control Period or Review Period	<ul style="list-style-type: none"> • 3 financial years. First year of the Control Period shall commence from the date of notification of these regulations to 31st March, 2017. • 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. • Tariff norms as per these regulations shall continue to remain applicable until notification of the revised regulations subject to adjustments as per revised regulations.
9.	Tariff Period	<p>(i) Tariff Period for Renewable Energy power projects except in case of Small hydro projects below 5 MW, Solar PV, Solar thermal, Biomass Gasifier, Biogas based power projects shall be for a minimum period of thirteen years.</p> <p>(ii) Small hydro projects below 5 MW, - thirty five years.</p> <p>(iii) Solar PV and Solar thermal power projects -twenty five years</p> <p>(iv) Biomass and Biomass Gasifier based power projects -twenty years.</p> <p>(v) Tariff Period under these regulations shall be considered from the date of commercial operation of the renewable energy generating stations.</p>
10	Project Specific Tariff	<p>Project specific tariff, on case to case basis, shall be determined by the Commission for the following types of projects:</p> <p>(i) Municipal Solid Waste Projects;</p> <p>(ii) Solar PV and Solar Thermal Power projects, if a project developer opts for project specific tariff;</p> <p>(iii) Hybrid Solar Thermal Power plants;</p> <p>(iv) Other hybrid projects such as, renewable-renewable or renewable conventional sources, for which renewable technology is approved by MNRE;</p>

		<p>(v) Biomass project other than that based on Rankine Cycle technology application with water cooled condenser;</p> <p>(vi) Any other new renewable energy technologies approved by MNRE; and</p> <p>(vii) For projects opting to have their tariffs determined on the basis of actual capital cost and other norms instead of the bench mark normative capital cost and other norms as specified for different technologies.</p>
11.	Generic Tariff	<p>(i) Generic tariff shall be determined on the petition filed by eligible RE generator for such renewable energy technologies indicated in Regulation 4.</p> <p>(ii) Generic Tariff would be based on normative parameters as per the norms specified in these regulations for each type of renewable energy source and the year of commissioning of the plant.</p> <p>(iii) Tariff determined being normative, no true up of any parameter, including additional capitalization, for what so ever reasons shall be taken up during the validity of the tariff; any short fall or gain due to performance or other reasons is to be borne / retained by the RE based generating stations.</p>
12.	Petition and proceedings for determination of Tariff	RE based Generating Stations, opting for project specific tariff, shall make an application for fixation of Project Specific Tariff based on actual Capital cost and along with such information as the Commission may require from time to time.
13.	Tariff Structure	<p>Single Part Tariff (in Rs./kWh) and ex-bus consisting of the following fixed cost components;</p> <p>(a) Interest on loan capital;</p> <p>(b) Depreciation;</p> <p>(c) Return on equity;</p> <p>(d) Interest on working capital;</p> <p>(e) Operation and maintenance expenses;</p> <p>Provided that for renewable energy technologies having fuel cost component, like Biomass power projects and non-fossil fuel based Co-generation projects, single part tariff with two components, viz., fixed cost component and fuel cost component, shall be determined.</p>
14.	Tariff Design	<p>(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.</p> <p>(ii) For the purpose of levellised tariff computation, the discount factor equivalent to Post Tax weighted average cost of capital shall be considered.</p> <p>(iii) Levellisation shall be carried out for the 'useful life' of the Renewable Energy Project, while tariff shall be specified for the period equivalent to 'Tariff Period'.</p>
15.	Levellised Tariff	Levellised tariff is calculated by carrying out levellisation for 'useful life' of each technology considering the discount factor for time value of money.
Financial Principles		
16.	Capital Cost	<ul style="list-style-type: none"> • Norms for the bench mark Capital Cost as specified in the subsequent technology specific chapters shall be inclusive of all capital works like plant and machinery, civil works, erection & commissioning, financing, interest during construction and evacuation infrastructure up to inter-connection point. • Provided that the benchmark capital cost for Solar PV and Solar thermal projects may be reviewed and determined annually by the Commission. • 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 12.
17.	Debt - Equity Ratio	<p>(i) For determination of generic tariff, the debt- equity ratio shall be 70: 30.</p> <p>(ii) For determination of project specific tariff, the following provisions shall apply:</p> <ul style="list-style-type: none"> • If the equity actually deployed is more than 30% of the capital cost, the amount of equity for the purpose of tariff determination shall be limited to 30% and the balance equity in excess of 30% shall be treated as normative loan.

		<ul style="list-style-type: none"> • 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 denominated/ designated in Indian rupees on the date of each investment.
18.	Interest and Finance Charges on Loan Capital	<p>(i) Loan tenure - 12 years</p> <p>(ii) Interest Rate</p> <p>(a) The loans arrived at in the manner indicated above in Regulation 17 shall be considered as gross normative loan for calculation of 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.</p> <p>(b) For the purpose of computation of tariff, the normative interest rate shall be considered as average State Bank of India Base Rate prevalent during the first six months of the previous year plus 150 basis points.</p> <p>(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.</p>
19.	Depreciation	<p>For the purpose of tariff determination, depreciation shall be computed in the following manner, The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission.</p> <p>(i) 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.</p> <p>(ii) Annual Depreciation shall be based on "Differential Depreciation Approach" using 'Straight Line Method' over two distinct periods comprising loan tenure and period beyond loan tenure over useful life. The depreciation rate for the first 12 years of the Tariff Period shall be 5.83% per annum and the remaining depreciation shall be spread over the remaining useful life of the project from 13th year onwards.</p> <p>(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 <i>pro rata</i> basis.</p>
20.	Return on Equity	<p>(i) The value base for the equity shall be 30% of the capital cost for generic tariff determination or actual equity in case of project specific tariff determination</p> <p>(ii) Normative Return on Equity shall be 16%</p> <p>Provided that in case of projects commissioned after notification of these regulations an additional return of 1.0% shall be allowed if such projects are completed within the timeline approved in the sanctioned Detail Project Report and within the original sanctioned project cost without cost overrun.</p>
21.	Interest on Working Capital	<p>(i) The Working Capital requirement in respect of Wind energy projects, small Hydro power, Solar PV and Solar Thermal power projects shall be computed as under:</p> <p>(a) Operation & Maintenance expenses for one month;</p> <p>(b) Receivables equivalent to two months of energy charges for sale of electricity calculated on the normative Capacity Utilisation Factor (CUF);</p> <p>(c) Maintenance spare @ 15% of operation and maintenance expenses;</p> <p>(ii) The Working Capital requirement in respect of Biomass power projects shall be computed as under:</p> <p>(a) Fuel costs for four months equivalent to normative Plant Load Factor (PLF);</p> <p>(b) Operation & Maintenance expense for one month;</p> <p>(c) Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on the target PLF;</p> <p>(d) Maintenance spare @ 15% of operation and maintenance expenses.</p> <p>(iii) Rate of Interest on Working Capital shall be at interest rate equivalent to average State Bank of India Base Rate prevalent during the first six months of previous year plus 100 basis points.</p> <p>(iv) The interest on working capital shall be on normative basis notwithstanding that the generating company has not taken working capital loan from any outside agency.</p>

22.	Operation and Maintenance Expenses	<p>(i) 'Operation and Maintenance or O&M expenses' shall comprise the following,</p> <ul style="list-style-type: none"> (a) Repair and maintenance (R&M), (b) Establishment including employee expenses, and (c) Administrative and general expenses including insurance. <p>(ii) 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.</p> <p>(iii) Normative O&M expenses allowed during first year of the Control Period under these regulations shall be escalated at the rate of 5.72% per annum to determine the O&M expenses for different years of the Tariff Period.</p>
23	Rebate	<p>(i) For payment of bills of the generating company through letter of credit, a rebate of 2% shall be allowed.</p> <p>(ii) 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.</p>
24.	Late payment surcharge	<p>In case the payment of any bill for charges payable 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.</p>
25.	Sharing of CDM benefits	<p>The proceeds of carbon credit from approved CDM project shall be shared between generating company and concerned beneficiaries in the following manner,</p> <ul style="list-style-type: none"> (i) 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; (ii) 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. (iii) CDM benefits shall not be considered for determination of levelled or yearly tariff and total amount of proceeds shall be remitted directly by the generating company to the distribution licensee for each financial year within one month of its receipt along with auditor's certification in accordance with above provisions.
26.	Subsidy or Incentive by the Central/State Government	<p>The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation benefit for the renewable energy power plants while determining the tariff under these Regulations.</p> <p>Provided that the following principles shall be considered for ascertaining income tax benefit on account of accelerated depreciation for the purpose of tariff determination:</p> <ul style="list-style-type: none"> (a) Assessment of benefit shall be based on capital cost admitted, 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. (c) Per unit benefit shall be derived on levelled basis at discount factor equivalent to Post Tax weighted average cost of capital or any appropriate discounting factor considered by the Commission. <p>Provided further that where Central Government or the State Government has notified any Generation Based Incentive (GBI) Scheme for a particular kind of renewable technology, the tariffs of such generating stations shall be reduced by the amount of GBI per unit.</p>
27.	Taxes and Duties	<ul style="list-style-type: none"> • Tariff to be exclusive of taxes and duties on generation and sale of electricity from renewable energy project as may be levied by the appropriate Government: • Provided that the taxes and duties levied by the appropriate Government on generation and sale of electricity from renewable energy project 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 Projects		
28.	Capital Cost	<ul style="list-style-type: none"> (i) Capital Cost for Wind energy projects shall include wind turbine generator including its auxiliaries, land cost, site development charges and other civil works, transportation charges, evacuation cost upto inter-connection point, financing charges and interest during construction (IDC). (ii) The normative capital cost for Wind energy projects shall be of Rs. 565 lakh / MW.

29.	Capacity Utilization Factor	CUF norms for this control period shall be as follows:																
		<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Annual Mean Wind Power Density Watt / M²</th> <th>CUF</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Upto 200</td> <td>20 %</td> </tr> <tr> <td>2</td> <td>201 – 250</td> <td>22 %</td> </tr> <tr> <td>3</td> <td>251 – 300</td> <td>25 %</td> </tr> <tr> <td>4</td> <td>301 – 400</td> <td>30 %</td> </tr> <tr> <td>5</td> <td>> 400</td> <td>32 %</td> </tr> </tbody> </table> <p>The annual mean Wind power density specified above shall be measured at 80 metre hub-height.</p>	Sl. No.	Annual Mean Wind Power Density Watt / M ²	CUF	1	Upto 200	20 %	2	201 – 250	22 %	3	251 – 300	25 %	4	301 – 400	30 %	5
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30.	Operation and Maintenance Expenses	Normative O&M expenses for the first year of the Control Period shall be Rs. 7.26 lakh per MW and shall be escalated at the rate of 5.72% per annum over the tariff period for determination of the levellised tariff.																
Technology Specific Parameters for Small Hydro Projects																		
31.	Capital Cost	(i) Small Hydro Projects for the purpose of these Regulations cover those projects which are located at the sites approved by the State Nodal Agency / State Government using new plant and machinery and with installed power plant capacity lower than or equal to 25 MW.																
		(ii) The normative capital cost for Small Hydro Projects shall be as follows: <table border="1"> <thead> <tr> <th>Size of project</th> <th>Capital Cost (Rs. lakh / MW)</th> </tr> </thead> <tbody> <tr> <td>Below 5 MW</td> <td>770</td> </tr> <tr> <td>5 MW to 25 MW</td> <td>700</td> </tr> </tbody> </table>	Size of project	Capital Cost (Rs. lakh / MW)	Below 5 MW	770	5 MW to 25 MW	700										
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32.	Capacity Utilization Factor	<ul style="list-style-type: none"> The capacity utilization factor would be considered on the basis of CUF of small hydro projects in the state while approving the tariff. The benchmark capacity utilization factor for small hydro projects shall be 45%. The normative CUF shall be net of free power to the home 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. 																
33.	Auxiliary Consumption	Normative auxiliary consumption for Small hydro projects shall be 1.0 %.																
34.	Operation and Maintenance Expenses	(i) The normative O&M expenses for small hydro projects for the first year control period shall be as given below: <table border="1"> <thead> <tr> <th>Size of project</th> <th>O&M Expenses (Rs. lakh / MW)</th> </tr> </thead> <tbody> <tr> <td>Below 5 MW</td> <td>23.47</td> </tr> <tr> <td>5 MW to 25 MW</td> <td>16.77</td> </tr> </tbody> </table>	Size of project	O&M Expenses (Rs. lakh / MW)	Below 5 MW	23.47	5 MW to 25 MW	16.77										
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(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 Power Projects																		
35.	Technology Aspect	<ul style="list-style-type: none"> Biomass power project for the purpose of these Regulations covers the projects using new plant and machinery based on Rankine cycle technology application using water cooled condenser and biomass fuel sources where use of fossil fuel is limited to the extent of 15% total fuel consumption on annual basis. Norms for tariff determination specified here under are for Biomass power projects based on Rankine Cycle technology application using water cooled condensers. 																
36.	Capital Cost	The normative capital cost for the Biomass power projects, based on Rankine Cycle shall be Rs. 445 lakh / MW. The Commission may review the Capital Cost at the end of first year of the Control Period, if considered appropriate by the Commission.																

37.	Plant Load Factor	(i) Threshold Plant Load Factor for determining fixed charge component of Tariff shall be: (a) During Stabilization : 60% (b) During the remaining period of the first year (after stabilization) : 70% (c) From 2nd Year onwards : 80 % (ii) The stabilization period shall not be more than 6 months from the date of commissioning of the project.
38.	Auxiliary Consumption	10% for the determination of tariff.
39.	Station Heat Rate	Station Heat Rate for biomass power projects will be 4000 kCal/kWh.
40.	Operation and Maintenance Expenses	(i) The normative Operation & Maintenance (O&M) expenses for the first year of the Control Period shall be Rs.24 lakh per MW allowed at the commencement of the Control Period and shall be escalated at the rate of 5.72% per annum over the tariff period for determination of the levelled tariff.
41.	Fuel Mix	The biomass power plant shall be designed in such a way that it uses different types of non-fossil fuels available within the vicinity of biomass power project such as crop residues, agro-industrial residues, forest residues, etc., and other biomass fuels as may be approved by MNRE.
42.	Use of Fossil Fuel	The use of fossil fuels shall be limited to the extent of 15% of total fuel consumption on annual basis or as amended by MNRE from time to time.
43.	Monitoring Mechanism for the use of Fossil fuel	As per Regulations
44.	Calorific Value	The benchmark norm for Calorific Value of the Biomass fuel(s) used for the purpose of determination of tariff for new biomass power projects shall be 3467 kCal/kg.
45.	Fuel Cost	<ul style="list-style-type: none"> The benchmark norm for Biomass fuel price shall be 2018 Rs./MT during first year of the Control Period and thereafter shall be linked to indexation mechanism as specified under Regulation 46 in case developer wishes to opt for indexing mechanism. Alternatively, for each subsequent year of Tariff period, the normative escalation factor of 5% per annum shall be applicable at the option of the biomass project developer.
46.	Fuel Price Indexation Mechanism	The indexed Biomass fuel price in case of biomass power projects for each year of the control period shall be done in accordance with indexation mechanism stipulated under CERC RE Tariff Regulations, 2012.
Technology Specific Parameters for Solar PV Power Projects		
47.	Technology Aspect	Norms for Solar Photovoltaic (PV) Power under these regulations shall be applicable to PV systems that directly convert solar energy into electricity through Photo Voltaic Technology using Crystalline, Silicon or Thin Film technology or any other technology as approved by MNRE and are connected to the grid.
48.	Capital Cost	The Normative Capital Cost for setting up solar photovoltaic Power Project shall be Rs. 650.00 lakh/MW. Provided that the normative Capital Cost for Solar PV power plants shall be determined by the Commission separately for each year by a separate Order.
49.	Capacity Utilization Factor	The Capacity utilization factor for Solar Power Project shall be 19% provided that the Commission may deviate from the above norm in case of project specific tariff determination.
50.	Operation and Maintenance Expenses	Rs. 11.0 lakh / MW for the first year of operation of the control period and shall be escalated at the rate of 5.72 % per annum over the tariff period for determination of the levelled tariff.

51.	Tariff for Solar rooftop PV and other small solar power	Tariff for Solar rooftop PV and other small Solar power projects, complying with eligibility criteria as may be specified by MNRE, may be determined by Commission from time to time, if required so. However the existing consumers opting for Solar roof top PV will get it adjusted in its regular consumption bills through net metering instead of selling additional generation over and above their consumption.
Technology Specific Parameters for Solar Thermal Power Projects		
52.	Technology Aspect	Norms of Solar Thermal power projects under these regulations shall be applicable for concentrated solar power (CSP) technologies with line focusing or point focusing as may be approved by MNRE and which 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 and are connected to the grid.
53.	Capital Cost	<ul style="list-style-type: none"> • The Normative Capital Cost - Rs. 1200 lakh/MW. • Provided that the normative Capital Cost for Solar Thermal power plants shall be determined by the Commission separately for each year by a separate Order. • Provided that the Commission may deviate from above norm in case of project specific tariff determination.
54.	Capacity Utilization Factor	23% Provided that the Commission may deviate from above norm in case of project specific tariff determination.
55.	Operation and Maintenance Expenses	Rs. 15.0 lakh / MW for the first year of operation and shall be escalated of the rate of 5.72 % per annum over the tariff period for determination of the levelled tariff.
56.	Auxiliary Consumption	6.5%. Provided that the Commission may deviate from above norm in case of project specific tariff determination.
Technology Specific Parameters for Biomass Gasifier Power Projects		
57.	Technology Aspect	The norms for tariff determination specified hereunder are for grid connected Biomass Gasifier based power projects. A project shall qualify as a Biomass Gasifier based project, if it is in accordance with the eligibility criteria as specified under Regulation 4 (2).
58.	Capital Cost	<ul style="list-style-type: none"> (i) The normative capital cost for the Biomass Gasifier power projects based on Rankine cycle shall be Rs. 400 Lakh/MW, after taking capital subsidy into account. (ii) The Commission may review the Capital Cost at the end of first year of the Control Period, if considered appropriate by the Commission.
59.	Plant Load Factor	Threshold Plant Load Factor for determining fixed charge component of Tariff shall be 85%
60.	Auxiliary Consumption	10% for the determination of tariff.
61.	Specific fuel Consumption	Normative specific fuel consumption shall be 1.1kg per kWh.
62.	Operation and Maintenance Expenses	(a) Normative O&M expenses for the first year of the Control period shall be Rs. 30 lakh/ MW allowed at the commencement of the Control Period and shall be escalated at the rate of 5.72% per annum over the tariff period for determination of the levelled tariff.
63.	Fuel Mix	<ul style="list-style-type: none"> (i) The Biomass Gasifier based power plant shall be designed in such a way that it uses different types of non-fossil fuels available within the vicinity of biomass power project such as crop residues, agro-industrial residues, forest residues etc. and other biomass fuels as may be approved by MNRE. (ii) The Biomass Gasified based Power Generating Companies shall ensure fuel management plan to ensure adequate availability of fuel to meet the respective project requirements

64.	Fuel Cost	<ul style="list-style-type: none"> • Biomass fuel price during first year of the Control Period shall be as per Regulation 45 and shall be linked to indexation formula as specified under Regulation 65. • 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 Gasifier project developer.
65.	Fuel Price Indexation Mechanism	The indexed Biomass fuel price in case of Biomass gasifier power projects for each year of the control period shall be done in accordance with indexation mechanism.
Miscellaneous		
66.	Deviation from Norms	<ul style="list-style-type: none"> • Tariff for sale of electricity generated from a generating station based on renewable energy sources, may also be determined, in deviation from the norms specified in these regulations subject to the conditions that the levellised tariff over the useful life of the project on the basis of the norms in deviation does not exceed the levellised tariff calculated on the basis of the norms specified in these regulations. • Provided that the reasons for deviation from the norms specified under these regulations shall be recorded in writing.
67.	Power to Relax	Vested with the Commission
68.	Power to Amend	Vested with the Commission
69.	Power to Remove Difficulties	Vested with the Commission