

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

SHILLONG

Meghalaya State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff from Renewable Energy Sources) (1st Amendment) Regulations, 2014.

PREVIOUS PUBLICATION NOTIFICATION

The 24th May, 2022

No. MSERC/ RE/Regulations/2014/01 – In exercise of powers conferred under section 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Meghalaya State Electricity Regulatory Commission hereby makes **previous publication** of the following regulations, namely, Meghalaya State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff from Renewable Energy Sources) Regulations 2014, which were originally issued on 11th November , 2014.

The Commission invites suggestion, if any, which may be submitted to the undersigned within 21 (twenty one) days from the date of this notice before the publication of the notification.

1. Short title, extent and commencement:-

i) These regulations may be called Meghalaya State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff from Renewable Energy Sources) (1st Amendment) Regulations,2014.

ii) These regulations shall come into force from the date of their publication in the Official Gazette of Meghalaya and shall remain operative until revised.

iii) These regulations shall apply throughout the state of Meghalaya.

2. Amendment in Regulation 2.1 :-

(i) Sl. No. (3) shall be read as *Sl. No. (1)* , Sl. No. (4) shall be read as *Sl. No. (2)* and so on till Sl. No. (21) which shall be read as *Sl. No. (19)*.

(ii) Regulation 2.1 (9) shall be substituted by the following :

(7)“Capital Cost” means capital cost as defined under Regulation 17,29,32,37,48,54,59 of these regulations.

(iii) Regulation 2.1 (12) shall be substituted by the following:

(10) “CERC RE Tariff Regulations” shall mean *Central Electricity Regulatory*

Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations ,2020 , as amended from time to time.

(iv) Regulation 2.1 (22) shall be read as Regulation 2.1(20) and shall be replaced by Regulation 2.1 (23) , Regulation 2.1 (23) shall be read as Regulation 2.1 (21) and shall be replaced by Regulation 2.1 (24) and so on till Regulation 2.1 (39) which shall be read as Regulation 2.1 (37) and shall be replaced by Regulation 2.1 (40) .

(v) Regulation 2.1 (39) (b) shall be read as follows :-

(37) 'Useful Life' in relation to a unit of a generating....., namely:-

b) Small Hydro Plant - 40 years

(vi) Regulation 2.1 (40) shall be read as Regulation 2.1 (38).

3. Amendment in Regulation 9 :-

(i) Regulation 9 (1) shall be substituted by the following :-

1) The Tariff Period for Renewable Energy power projects shall be the same as their useful life.

(ii) Regulations 9 (2),9 (3) and 9 (4) shall be omitted.

(iii) Regulations 9 (5) shall be read as Regulation 9 (2).

(iv)Regulation 9 (6) shall be read as follows ;-

9(3) Tariff determined as per these regulations shall be applicable for Renewable Energy power projects for the duration of the tariff period.

(v) Regulation 9 (7) shall be read as Regulation 9 (4).

4. Amendment in Regulation 10 (1) (ii) :- The words "if a project developer opts for project specific tariff" shall be omitted and the regulation shall be read as follows :-

10 (1) (ii) Solar PV and Solar Thermal power projects.

5. (i) After Regulation 15 , an additional regulation shall be inserted as follows:-

16. Treatment for Over- generation

In case a renewable energy project, in a given year, generates energy in excess of the capacity utilisation factor specified under these regulations or plant load factor as the case may be, the renewable energy project may sell such excess energy to any entity, provided that the first right of refusal for such excess energy shall vest with the concerned beneficiary. In case the concerned beneficiary purchases the excess energy, the tariff for such excess energy shall be 75% of the tariff applicable for that year.

(ii) After the insertion of the above additional regulation, Regulation 16 shall be read as Regulation 17 and so on till Regulation 45 which shall be read as Regulation 46.

6. Amendment in Regulation 28 (2) :-

(i) Regulation 28(2) shall be substituted by the following ;-

29 (2) The commission shall determine only project specific capital cost considering the prevailing market trends.

(ii) Regulation 28(3) shall be omitted.

7. Amendment in Regulation 30 :-

(i) Regulation 30 (1) and 30 (2) shall be replaced by the following :-

31. Operation and Maintenance Expenses

The Commission shall determine only project specific O&M expenses considering the prevailing market trends.

8. Amendment in Regulation 31 :-

(i) Regulation 31 (2) shall be replaced by the following :-

32 (2) The normative capital cost for Small Hydro Projects shall be as follows :

<u>Size of project</u>	<u>Capital Cost (Rs. lakh / MW)</u>
<i>Below 5 MW</i>	<i>1200</i>
<i>5MW to 25 MW</i>	<i>1200</i>

(3) The normative capital cost shall be increased annually by an escalation factor equal to the annual rate of inflation based on the Wholesale Price Index for all commodities from FY 2023-24 onwards.

(ii) Regulation 31 (3) shall be omitted.

9. Amendment in Regulation 34 :-

Regulation 34 shall be replaced by the following :-

35 (1) The normative O&M expenses for small hydro projects for the first year of the control period shall be as given below :-

<u>Size of project</u>	<u>O&M Expenses (Rs. lakh / MW)</u>
<i>Below 5 MW</i>	<i>45.96</i>
<i>5MW to 25 MW</i>	<i>34.47</i>

(2) 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 over the tariff period for determination of levellised tariff.

10. Amendment in Regulation 36 :-

Regulation 36 shall be replaced by the following :-

37. Capital Cost

(1) The normative capital cost for the biomass power projects, based on Rankine Cycle shall be Rs. 660 lakh/MW .

(2) The normative capital cost shall be increased annually by an escalation factor equal to the annual rate of inflation based on the Wholesale Price Index for all commodities from FY 2023-24 onwards.

11. Amendment in Regulation 40 :-

Regulation 40 shall be replaced by the following :-

41. Operation & Maintenance

(1) The normative Operation & Maintenance (O&M) expenses for the first year of the control period shall be Rs.51.10 lakh / MW.

(2) 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 over the tariff period for determination of levellised tariff.

12. Amendment in Regulation 44 :-

Regulation 44 shall be replaced by the following :-

45. 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 3100 kcal / kg.

13. Amendment in Regulation 45 :-

Regulation 45 shall be replaced by the following :-

46. Fuel Cost

The benchmark norm for biomass fuel price shall be Rs. 3913 / MT and shall be escalated at the rate of 5% per annum to arrive at the base price for subsequent years of the control period , unless reviewed earlier by the Commission. For the purpose of determining levellised tariff , a normative escalation factor of 5% per annum shall be applicable for biomass fuel price.

14. Amendment in Regulation 46 :-

Regulation 46 shall be omitted.

15. Amendment in Regulation 48 :-

Regulation 48 shall be replaced by the following :-

48. Capital Cost

The Commission shall determine only project specific capital cost considering the prevailing market trends.

16. Amendment in Regulation 50 :-

50 . Operation and Maintenance Expenses

Regulation 50 shall be replaced by the following :-

The Commission shall determine only project specific O&M expenses considering the prevailing market trends.

17. After Regulation 51 , an additional regulation shall be added as follows :-

52. Auxiliary Consumption

The Commission shall only approve auxiliary consumption for project specific tariff , provided that the maximum consumption for solar PV power projects shall be 0.75%.

18. Amendment in Regulation 53 :-

Regulation 53 shall be replaced by the following :-

54. Capital Cost

The Commission shall determine only project specific capital cost considering the prevailing market trends.

19. Amendment in Regulation 54 :-

Regulation 54 shall be replaced by the following :-

55. Capacity Utilisation Factor

The Capacity Utilisation Factor shall be 23% for solar thermal power projects.

20. Amendment in Regulation 55 :-

Regulation 55 shall be replaced by the following :-

56. Operation and Maintenance Expenses

The Commission shall determine only project specific O&M expenses considering the prevailing market trends.

21. Amendment in Regulation 56 :-

Regulation 56 shall be replaced by the following (second para shall be deleted) :-

57. Auxiliary Consumption

The maximum auxiliary consumption shall be 10%.

22. Amendment in Regulation 57 :-

Regulation 57 shall be replaced by the following :-

58. 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)(e).

23. Amendment in Regulation 58 :-

Regulation 58 shall be replaced by the following :-

59. Capital Cost

(1) The normative capital cost for the biomass gasifier power project based on Rankine Cycle shall be Rs.652 lakh/MW after taking subsidy into account.

(2) The normative capital cost shall be increased annually by an escalation factor equal to the annual rate of inflation based on the Wholesale Price Index for all commodities from FY 2023-24 onwards.

24. Amendment in Regulation 61 :-

Regulation 61 shall be replaced by the following :-

62. Specific Fuel Consumption

Normative specific fuel consumption shall be 1.25 kg per kwh.

25. Amendment in Regulation 62 :-

Regulation 62 shall be replaced by the following :-

63. Operation and Maintenance Expenses

(1) Normative O&M expenses for the first year of the control period shall be Rs. 67.44 lakh / MW.

(2) 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 over the tariff period for determination of levelled tariff.

26. Amendment in Regulation 64 :-

Regulation 64 shall be replaced by the following :-

65. Fuel Cost

Biomass fuel price for biomass gasifier- based power projects shall be the same as for biomass power project based on Rankine Cycle technology as mentioned in Regulation 46.

27. *Regulation 65 shall be omitted.*

28. Amendment in Formats 1.2 & 2.2

Yr – 1, Yr – 2, , Yr – 13 & Yr – 14 shall be replaced by Yr -1, Yr – 2,, Yr – n , where n is the last year of the useful life of the project.

Sd/-
Secretary

Meghalaya State Electricity Regulatory Commission