

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

1st Floor (Front Block Left Wing), New Administrative Building
Lower Lachumiere, East Khasi Hills District, Meghalaya

CASE NO. 3 /2024

In the Matter of:

Review of Order dated 13.03.2024 in Case No. 1 of 2024 for determination of Generic Tariff for Ganol Small Hydro Project under the provisions of Regulation 21 of MSERC (Conduct of Business) Regulations, 2007.

AND

In the Matter of:-

Meghalaya Power Generation Corporation Ltd;
Lumjingshai, Shillong-01, Meghalaya.

Coram

Shri Chandan Kumar Mondol (Chairman)

Shri R K Soni (Member Law)

Date of Order: 29.08.2024

ORDER

- 1.0 The Commission vide its order dated 13.03.2024 decided generic tariff for Ganol SHP (3 x 75) 22.5 MW. As per Para 11 of the said order, the Commission allowed tariff for the Ganol SHP w.e.f. 01.04.2024. Relevant para reproduced below:

“Commission’s Order In exercise of functions vested under Section 86 of Electricity Act 2003 read with MSERC (Terms and conditions for determination of Tariff for Generation from Renewable Energy Sources) Regulations 2014, read with first Amendment dated

23rd June 2022, Commission after Prudence check of the petition with reference to the cost estimate, auditor's certification as on 31.07.2020, and also hearing the suggestions and objections from stakeholders, issues Generation tariff order under RE Regulations for (3x7.5) 22.5 MW Ganol Small Hydro Project.

The RE Tariff shall be applicable from 01.04.2024. The levelised Tariff for 40 years of the life time of the project is notified in this Order".

- 2.0 Meghalaya Power Generation Corporation Limited (hereinafter called MePGCL) filed a Review Petition on 13.05.2024 with a prayer that since Commercial Operation Date (COD) of the project was declared w.e.f. 01.08.2023, in line with the Regulation 9 (5) of MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014, tariff should be applicable from the date of COD.
- 3.0 Matter was heard on 28.08.2024 via hybrid mode.
- 4.0 MePGCL stated that COD of the station was completed on 01.08.2023 and this was certified by State Load Despatch Centre (SLDC). Certificate for trial run operation of the unit 3 was issued on 23.05.2025 and for units 1 & 2 was issued on 18.07.2023. Based on which Board of MePGCL approved COD of the Ganol SHP w.e.f. 01.08.2023.
- 5.0 They have also pointed out that under Regulation 9 (5) of the MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014, tariff shall be applicable from the date of commercial operation of the renewable energy generating station. The instant petition has been filed under Regulations 21 of the MSERC (Conduct of Business) Regulations, 2007 for review of the order.

- 6.0 On behalf of Byrnihat Industries Association (hereinafter called BIA) objections were raised by BIA through their learned counsel namely, Mandakini Ghosh, Advocate and Rohan Singh, Law Officer. The learned counsel made submissions on behalf of BIA and submitted that the petitioners have submitted only the Board Resolution as declaration of commercial operation which is not sufficient proof of commercial operation date. She also mentioned that usually, in the PPA a procedure for declaration is specified and it is to be witnessed and certified by the beneficiary i.e, MePDCL. No such document has been placed on record by MePDCL. The learned counsel further stated that in absence of any procedure specified under Regulation, MSERC should go by the Regulations framed by the Central Electricity Regulatory Commission (CERC). When pointed out by the Commission that in the instance case SLDC, which, is the statutory body has issued certificate which is similar to the procedure followed by CERC, wherein respective RLDCs issue Trial Run Operation Certificate of the central generating station / inter state generating station, the learned counsel for BIA agreed that in case SLDC has issued certificate there is no objection from BIA side.
- 7.0 The Learned counsel also raised other issues pertaining to capital cost, grant subsidy, etc. Learned counsel submitted that normative capital cost of Rs. 270 crores allowed by the Commission is higher, as MePDCL received a grant of Rs.314 crores which should be adjusted against normative capital cost. In terms of MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014, Commission should reduce grant amount from the normative capital cost Rs.270 crores, while arriving out generic tariff.
- 8.0 The Commission pointed out that the actual capital cost of Ganol SHP was Rs.602 crores and even if Rs.314 crores is reduced from Rs.602 crores, net capital cost will be Rs.288 crores which is still above Rs.270 crores. The Commission also pointed out that Regulation 11(3) of the MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014, provide that *“the 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.”

- 9.0 The Commission further stated that the instant petition is for the applicability of tariff w.e.f. the date of commercial operation, the issue raised by the learned counsel pertaining to capital cost etc, can be taken up at appropriate forum as per relevant provisions of law.
- 10.0 The Commission while issuing generic tariff for Ganol SHP vide its order dated 13.03.2024 recorded at para 8, that project commissioning was achieved on 01.08.2023 which, was also evident from the certificate issued by SLDC.
- 11.0 In view of the above, and in line with Regulation 9 (5) of the MSERC (Terms and Conditions for Determination of Tariff for Generation from Renewable Energy Sources) Regulations, 2014, the Commission hereby correct its earlier order dated 13.03.2024 and make this tariff applicable w.e.f. 01.08.2023.

Thus the petition filed by the MePGCL stands disposed off.

Sd/-
R K Soni
Member (Law)

Sd/-
Chandan Kumar Mondol
Chairman