Compendium
of
Central & State Government Policies and Regulations issued by Regulatory Commissions on Hydro Power

Compiled by

Central Board of Irrigation & Power

November 2019

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NEW DELHI

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Hydro Policies

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Hydro Regulations

COMPARISON OF SMALL / LARGE HYDRO POLICIES

Description	Central Government (Ministry of Power)	Arunachal Pradesh		Assam	Bihar	Gujarat	Haryana	Himachal Pradesh	Jammu & Kashmir		Kerala
Policy Type	Hydro	Small Hydro	Hydro Policy	Small Hydro	RE (Small Hydro)	Small Hydro	RE (Small Hydro)	Hydro Policy	Small Hydro	Hydroelectric Projects	Small Hydro
Date	2008 with MoP Order 08.03.2019	24.01.2008	19.12.2008	2007	08.02.2017	28.03.2016	23.11.2005 with amendment 19.06.2008, 29.03.2010	2006	2011	07.07.2011	03.10.2012
Nodal Agency			Department of Hydro Power of Arunachal Pradesh		BREDA	GEDA	HAREDA	HIMURJA	JAKEDA	JKSPDCL	ANERT
Operative Period	N.A.	N.A.	N.A.		5-Years	5-Years	until notified			N.A.	N.A.
Hydro Potential (in MW)	In India, total Intalled capacity - 45.4 GW as on date 31.08.2019	50064 MW			220 MW		45 MW	18540	13543		295 MW
Application Fee/Registration Fee (in Rs. Per project) or Minimum Upfront Premium (Rs. Lakh/MW)		Above 10 MW up to 25 MW- 50,000 ; Above 5 MW up to 10 MW- 35,000 ; Above 1 MW up to 5 MW- 25,000 ; Above 100 KW up to 1000 KW- 15,000 ; Up to 100 KW-10,000	25MW-100MW - 1.00 ; 101 MW-500 MW - 2.50; 501 MW-1000 MW - 3.50; 1001 MW-2000 MW - 5.00; 2000 MW and above - 6.00	Rs. 0.25 lac - below 1 MW, Rs. 1 Lac 1 to 5 MW project and Rs. 2 Lacs for projects above 5 MW project payable to ASEB/GENCO; minimum threshold premium of Rs. 1 lac per MW	Rs. 100 per kWp, subject to minimum Rs, 2000 per project and maximum upto Rs, 10,000 per project; more than 1 MW shall also contribute a one-time payment as facilitation fee of Rs. 100,000/MW	required to provide Bank Guarantee at Rs. 5 lakhs per MW or part thereof			Rs. 5,000/- as processing fees, minimum threshold premium will be Rs.50,000 per MW for projects upto 1 MW and Rs.1.00 lacs per MW for projects above 1 MW	upfront premium which shall not be < Rs.4.0 lacs per MW for 2-25 MW Projects, not < Rs.6.0 Lacs for Projects above 25 MW and upto 50 MW and not be < Rs.8.0 Lacs per MW for Projects above 50 MW and upto 100 MW	
Incentives		Tribal exepted for supplying free power upto 5 MW	Income tax holiday - 10 Years								
Wheeling		determined by the SERC/State.		determined by the AERC		As per state Gov.	As per HERC		determined by the JKSERC		determined by the KSERC
Transmission and Evacuation		As per state Gov.		The cost of transmission lines in excess of 5 km shall be borne by the IPPs/Users society and ASEB/GENCO	Ex. for Captive use/third party sale within the state	According to GETCO / DISCOM					
Royalty				above 5 MW, a royalty @Rs. 0.25 per unit			Ex.	free power share - 12 Years	@ 12% shall be charged after the period of 10 years		
Water Cess				@Rs. 0.05 per kWh per year					Ex.	Ex. For 10 Years	Ex.
Electricity duty				As per state Gov.		Ex.	Ex.				
Entry tax				Exempted					Ex.	Ex.	
RPO	Eligible projects would continue to receive HPO benefits for 12 years	As per Commission		As per Commission		As per Commission					As per Commission
Banking Charges at the point of Drawing		Not allowed		fixed period spans of 6 months	100% energy shall be permitted for all Captive and Open Access/ Scheduled Consumers		Allowed for a period of one year	Allowed			Allowed
Land		As per state Gov. rules	developer shall pay the cost	As per bid document	Depend on the developer	According to developer	As per state Gov. rules		allotted on lease for 40 years @ premium of Rs. 1 per sq. m	JKSPDCL	Identified by the developer
Sale of Power	tariff increasing project life to 40 years, increasing debt repayment period of 18 years and introducing escalating tariff of 2%.	MoA (developer and state Gov.) at a tariff - 10 paise lower than the tariff of CERC/SERC	responsibility of the developer	The IPP /Users society can contract to sell power to any HT consumer within Assam						upto 25 MW, J&K shall procure 30% power at the tariff determined by the Regulator	The State Transmission Utility / Kerala State Electricity Board shall have the first right of purchase
Tenure of PPA	40 Years					35 years	20 Years	40 years			
Free Power (Rate power after Moratorium period)	States either of more than 12% free power or equity participation or upfront payment	Projects up-to 1000 KW - Nil; Projects above 1 MW up-to 5 MW-5%; Projects above 5 MW up-to 10 MW- 8%; Projects above 10 MW up-to 25 MW-10%	The State Government shall also provide a matching 1% from its share of min 12% free power as recommended in the Government of India's Hydro Policy							For JV Projects Kiru and Kwar free power is deferred	
Penalty Rate (Rs. per MW per month)		agreement shall stand automatically terminated	25MW-100MW - 10,000; 101MW-500MW-20,000; 501 MW-1000MW - 30,000; 1001 MW-2000MW - 40,000; 2001 MW-3000 MW - 50,000; 3001 MW and above - 60,000							@ Rs 5 lacs per MW	As per Gov.
Project Allocation		BOOT basis for 50 years	BOOT basis	35 Years, Completion time - 36 months					BOOT basis for 35 years		BOOT basis for 30 years

Ex*-Exempted; UI*-Unscheduled Interchange charges ; MoP - Budgetary support - • Rs. 1.5 crore per MW for projects upto 200MW; Rs. 1.0 crore per MW for projects upto 200MW

COMPARISON OF SMALL / LARGE HYDRO POLICIES

Description	Madhya Pradesh	Maharashtra	Manipur		Meghalaya	Mizoram	Odisha	Punjab	Uttarakhand			West Bengal
Policy Type	**Small Hydro**	**RE (Small Hydro)**	**Hydro Policy**	**Small Hydro**	**RE (Small Hydro)**	**RE (Small Hydro)**	**RE (Small Hydro)**	**RE (Small Hydro)**	**Hydro Policy (Upto 25 MW)**	**Hydro Policy (25 to 100 MW)**	**Hydro Policy (Above 100 MW)**	**RE (Small Hydro)**
Date	03.11.2011	20.07.2015	24.10.2012	2006		30.09.2003	25.11.2016	26.12.2012 with amendment 09.07.2015	2008			05.06.2012
Nodal Agency	MPNRED	MEDA	MANIREDA	MANIREDA	MNREDA	ZEDA	EIC	PEDA				WBSRC
Operative Period	N.A.	N.A.	10 - Years	until notified	N.A.	N.A.	N.A.		until notified			until notified
Hydro Potential (in MW)		400 MW					150 MW	250 MW	17998			394 MW
Application Fee/Registration Fee (in Rs. Per project) or Minimum Upfront Premium (Rs. Lakh/MW)			Up to 50 MW - 3.00 Lakh/MW; 100 MW and above - 3.00 to 6.00 Lakh/MW; 100 MW and above - 6.00 to 10.00 Lakh/MW					Bank Guarantee of Rs 20 lacs per MW	Application fee (Non-refundable): Rs.5000/-; Processing fee (Non-refundable)- For Micro projects: Rs. 10,000/-.; For Mini projects : Rs. 25,000/-. For Small projects: Rs. 50,000/-	a minimum threshold premium of Rs. 5 lakhs per MW	minimum premium - Rs. 5 (Five) Crores per project	
Incentives												
Wheeling	determined by the MPERC		determined by the JERC	2% of the energy fed to the grid	determined by the MERC	charge of 2% of the energy supplied to the grid	determined by the OERC	determined by the PSERC	As per UPCL/PTCUL	determined by the ERCU (Charges ex. for UPCL)		
Transmission and Evacuation	As per MPERC Grid Code Regulations											
Royalty			As per state Gov.		As per state Gov.				No royalty for mini projects,	Charges - 12% of net energy wheeled	Charges - 12% of net energy wheeled	
Water Cess	Ex. for 10 years		As per state Gov.									
Electricity duty	Ex.	Ex. for 10 years		5 Yrs for third party and captive use	Ex. for 5 years	Ex.	Ex. for 5 years	Ex.			As per state Gov.	
Entry tax	Ex.		Ex.					Ex.		Ex.	Ex.	
RPO												determined by theWBERC
Banking Charges at the point of Drawing	100 % of energy; Developer shall have to pay 2.0 % of the banked energy as banking fees		Allowed for 1 year			Allowed for 1 year	determined by the OERC	Allowed for 1 year	As per State Gov.	Not allowed		
Land	As per state Gov. rules		As per state Gov. rules				As per state Gov. rules	lease amount of Rs. 1.50 lac per annum per site				As per state Gov. rules
Sale of Power	CPP can be sold to any consumer/willing distributor company or Power Trading Company based in M.P. state		EDM shall contract to take off minimum 60% of the total power				As per GRIDCO		UPCL will have the first right of purchase	IPP can contract to sell power to any consumer/s outside Uttaranchal	developer of the project will have the right to sell the power outside the State	
Tenure of PPA				20 Years								
Free Power (Rate power after Moratorium period)			revenue equivalent to free power up to the Scheduled COD shall be exempted.									
Penalty Rate (Rs. per MW per month)												
Project Allocation	BOOT basis for 35 years		BOOT basis for 40 years						BOOT basis for 40 years		BOOT basis for 40 years	

Ex*-Exempted; UI*-Unscheduled Interchange charges

HYDRO POLICIES

MINISTRY OF POWER

Hydro Power Policy, 2008 with MoP Order Dated: 08.03.2019

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Hydro Potential of India</td><td>Our country is endowed with an enormous hydro power potential, last assessed to be about 84,000 MW at 60% load factor, which translates to 1,48,700 MW in terms of installed capacity. In addition to the above, 6,782 MW of installed capacity has been assessed from small, mini and micro hydel schemes (i.e schemes of capacity up to 25 MW). Further, 56 potential pumped storage sites, with an aggregate installed capacity of 94,000 MW, have also been identified.
In India total installed capacity for Hydro is 45.4 GW as on dated: 31.08.2019.
Immediate target ahead is to commission another 30 GW by 2030.</td></tr>
<tr><td>2.</td><td>Objectives</td><td>The programmed capacity addition from hydro projects during 11th Plan is 16553 MW, of which Central and State Sectors will contribute 9685 MW and 3605 MW respectively, and the balance 3263 MW will be contributed by the Private Sector. Based on the demand forecasts, and on the level of preparedness of various agencies, a hydro capacity addition of about 30,000 MW is envisaged during the 12th Plan.
Inducing private investment in Hydro power development;
Harnessing the balance hydro-electric potential;
Improving Resettlement & Rehabilitation;
Facilitating Financial Viability.</td></tr>
<tr><td>3.</td><td>Hydro Potential and Development Status</td><td>The generating capacity in the country was only 1750 MW which has since increased to 1,40,302 MW as on 31.12.2007. The annual generation has grown from about 5 billion units to 669.5 billion units during 2006-07 Despite the rapid increase in population over this period of time, the per capita consumption has increased from a mere 15 kWh to 632 kWh in 2005-06 and to 665 kWh in 2006-07, and is expected to be 1000 kWh by 2011-12.
Despite the fact that India is the 6th largest country in terms of Power generation, the over all electricity shortages continue to be a major concern. The peaking shortages are about 13.8% as on 31.03.2007 on all India basis.
In the wake of continuous improvements in the Plant Load Factors which recorded an average of 76.8% during 2006-07, electricity generation has been growing consistently at over 5% during past 3 years. This growth rate has peaked at 7.26% in the year 2006-07.</td></tr>
<tr><td>4.</td><td>The Hydro Power Potential</td><td>At present (31.12.2007), 31,439.5 MW (21.14%) of the potential has been developed and 14,177 MW (9.53%) is under development in terms of installed capacity. Thus, about 69.32% of the potential is yet to be tapped.
At present, Pumped Storage Schemes of 4,335 MW are under operation and 475 MW is under construction and 1000 MW is sanctioned but work is yet to start.</td></tr>
<tr><td>5.</td><td>Hydro Share</td><td>To meet the present demand for peaking and non-peaking power, it is estimated that a hydro-thermal mix of 40:60 would be an ideal mix. At present (31.12.2007), the total installed capacity in the country is 1,40,301.84 MW and hydro share accounts for 34,680.76 MW (24.72%).</td></tr>
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<tr>
<td>6.</td>
<td>Plan wise Growth of Hydro Power</td>
<td>

Plan wise growth of Hydro power in the total installed capacity of the country is given as under:
PLAN WISE GROWTH AND SHARE OF HYDRO POWER (Last 3, 5 - Year Plan)

<table>
<tr><th>Plan Period</th><th>Hydro Capacity Addition during the Plan (MW)</th><th>Hydro Power Installed Capacity</th><th>Total Installed Capacity including other RES</th><th>Hydro Power share% of Total Installed Capacity</th></tr>
<tr><td>8th Plan (1992-97)</td><td>2427.65</td><td>21644.8</td><td>85019.31</td><td>25.46</td></tr>
<tr><td>9th Plan (1997-02)</td><td>4538.25</td><td>26261.23</td><td>103410.04</td><td>25.40</td></tr>
<tr><td>10th Plan (2002-07)</td><td>7886.00</td><td>34653.77</td><td>132329.21</td><td>26.19</td></tr>
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<tr>
<td>7.</td>
<td>The Hydro Power Capacity Addition Envisaged for 11™ and 12th Plan Periods</td>
<td>

To meet the energy requirements of 1038 billion units and a peak load of 1,52,746 MW with a 5% spinning reserve, a capacity addition of about 82,500 MW is required during the 11th Plan.
Implementation of this large capacity would call for augmentation of manufacturing capabilities in the various input sectors. Bharat Heavy Electricals Limited (BHEL) has drawn up a plan for hydro manufacturing capacity augmentation from 1345 MW to 2500 MW with an investment of Rs. 140 crores. BHEL also plans to further enhance its capacity as deemed necessary.

Advance action for capacity addition in the 12th plan:

As per the studies carried out by CEA to assess the requirement of additional capacity during the 12th Plan (2012-17), the requirement of installed capacity to meet the all India peak demand and energy requirement at the end of 12th Plan would require a capacity addition of 82200 MW in the five years period of 2012-17, out of which 30000 MW is proposed to be added through hydro Projects.
Accordingly, a shelf of 101 projects with an installation of about 40,303.50 MW having better preparedness and higher degree of confidence has been short - listed.

Long term plan for hydro development:

As per the re-assessment of hydro electric potential carried out by CEA (1978-87), the hydro potential of the country has been estimated about 1,50,000 MW. The hydro installed capacity at the end of 10th Plan was 34,653.77 MW.
Anticipated Hydro capacity addition during 11th (tentative), 12th, 13th & 14th Plan is projected below:

<table>
<tr><th>Plan Period</th><th>Hydro Capacity Addition (MW)</th><th>Total Hydro Capacity at the end of Plan (MW)</th></tr>
<tr><td>11th Plan (2007-08 to 2011-12)</td><td>16553</td><td>51207</td></tr>
<tr><td>12th Plan (2012-13 to 2016-17)</td><td>30000</td><td>81207</td></tr>
<tr><td>13th Plan (2017-18 to 2021-22)</td><td>31000</td><td>112207</td></tr>
<tr><td>14th Plan (2022-23 to 2026-27)</td><td>36494</td><td>148701</td></tr>
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<td>8.</td>
<td>Basin Wise Development of Hydro Potential</td>
<td>

The assessment of hydro electric potential from 845 conventional hydro projects and 56 pumped storage projects has been made on the basis of desk studies using top sheets and discharge data. By now 320 hydro electric schemes have either been developed or are under various stages of development.

Ranking Study:

Based on the Preliminary Ranking Study, 399 schemes with an aggregate installed capacity of about 106910 MW have been prioritized in all the six river systems of the country. Out of this, 98 schemes with

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<tr><td></td><td></td><td>probable installed capacity of 15,641 MW fall under "A" category, 247 schemes with probable installed capacity of 69,853 MW under "B" category and 54 schemes with probable installed capacity of 21,416 MW under "C" category.
50,000 MW Hydro Initiative:
Out of 162 schemes (47930 MW) for which PFRs have been prepared, initially, based on preliminary techno-economic analysis, 78 schemes (34020 MW) with first year tariff below Rs. 2.50 / kWh have been taken up for detailed survey & investigation and preparation of DPRs.
One scheme in Meghalaya was not taken up for S&I due to its association with water supply scheme. Action has been initiated for 77 of these schemes (33951 MW) for S&I and preparation of DPR by CPSUs/ SPSUs/ SEBs/ IPPs. Out of these, DPRs for 17 schemes (4060 MW) have already been prepared.</td></tr>
<tr><td>9.</td><td colspan="2">Policy Initiative taken for Increasing the Hydro Capacity</td></tr>
<tr><td></td><td>Electricity Act, 2003</td><td>Changes in Industry Structure</td></tr>
<tr><td></td><td></td><td>This act has permitted direct commercial relationships between generating companies and consumers/ traders.
The Act has provided a generating company the right to open access through state/ central transmission utilities.
The Act has also enlarged the scope of captive power plants permitting Group captive Plants wheeling power to their consumers. Reforms in the Electricity sector in the country have brought into existence many more organizations like the Central Electricity Regulatory Commission and State Regulatory Commissions.
Concurrence of Hydro projects by CEA:
Water and water power are state subjects and find mention under Entry 17 of List-II (State list) of the VIIth schedule of the constitution of India. However, this is subject to provisions of Entry 56 of List-I (Union list) which provides for "regulations and development of inter-State rivers and river valleys to the extent to which such regulation and development under the control of Union as declared by Parliament by law to be expedient in the public interest".
Presently the limit notified is as under:
1. Rupees two thousand five hundred crores, provided that-
(a) the scheme is included in the National Electricity Plan (NEP) as notified by the and the scheme conforms to the capacity and type (run-of-river storage) as mentioned in the NEP, and
(b) the site for setting up the hydro generating station has been allocated through the transparent process of bidding in accordance with guideline issued by the Central Government under Section 63 of the Act.
2. Rupees five hundred crores for any other scheme not covered by clauses (a) and (b) above.
Ministry of Water Resources / Central Water Commission examine the following aspects of hydro electric schemes:-
Hydraulic Structures for hydropower
Water Management
Flood Control
Dam Safety
Regulation and development of inter-state rivers and river basins
Water laws legislation
International water laws
The matter regarding rivers common to India and neighbouring countries : Join River Commission for Bangladesh and India, Indus Water Treaty, Indus Commission.</td></tr>
<tr><td></td><td>National Water Policy-2005</td><td>It has been stipulated in the Policy that in the planning and operation of system, water allocation priority should broadly be in the order of drinking water, irrigation, hydro power, ecology, agro industries and non agriculture industries, navigation and other uses.</td></tr>
<tr><td></td><td>National Electricity Policy</td><td>State Governments need to review procedures for land acquisition, and other approvals/clearances for speedy implementation of hydroelectric projects.</td></tr>
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		• The Central Government will support the State Governments for expeditious development of their hydroelectric projects by offering services of Central Public Sector Undertakings. • Adequate safeguards for environmental protection with suitable mechanism for monitoring of implementation of Environmental Action Plan and R&R Schemes will be put in place.
	National Rehabilitation & Resettlement Policy-2007	• The adverse impact on affected families - economic, environmental, social and cultural - needs to be assessed in a participatory and transparent manner. • A national policy must apply to all projects where involuntary displacement takes place. • Also, it should lay down an effective monitoring and grievance redressal mechanism. • The Policy addresses the need to provide succour to the asset less rural poor, support the rehabilitation efforts of the resource poor sections, namely small and marginal farmers, SCs/STs and women who have been displaced.
	Provisions for Mega Power Projects	• The threshold limit to obtain the Mega Power 500 MW for hydro projects. Further, the minimum threshold capacity for hydro electric projects has been reduced from 500 MW to 350 MW for projects located in special category States such as Jammu & Kashmir, Sikkim and the North Eastern States. • The import of capital equipment would be free of customs duty, and deemed export benefits as per EXIM Policy would be extended to developers of Mega Power projects both in the public and the private sector. • Income tax holiday for a period of 10 years can be claimed by the promoter of a Mega Power project in any block of 10 years within 10 to 15 years. • The State Governments have been requested to exempt supplies made to Mega Power Plants from sales tax and local levies.
10.	**Increasing Role of Private Sector in Hydro Power Development**	The present status of participation of private sector in hydro power development is as under: • 21 schemes (1415.45 MW) are under operation 10 schemes with an installation of 3991 MW are under construction. 67schemes (18030 MW) have been allocated to private developers and 29 schemes (4292 MW) are under consideration for allocation.
11.	**Need for New Hydro Policy**	**Problems of Hydro projects with Tariff-based bidding:** • Location: Hydro projects are located in remote, inaccessible, forested and often very inhospitable terrain. Obtaining environment forest and wildlife clearances can be very cumbersome and time-consuming. • Geology: Even with the best of geological investigations, occurrences of shear zones and underground lakes and streams can result into serious time and cost over-runs. • Resettlement and Rehabilitation: Large-scale shifting of people from their traditional habitations and livelihoods can, if not handle with the necessary sensitivity and commitment, lead to a lot of discontentment and unrest, and hostility to the project itself. **Resettlement and Rehabilitation Issues:** • While NPRR 2007 is applicable to all kinds of projects and lays down the minimum R & R package, there is a need to go beyond this in case of hydro projects. • Just as host State governments have been turned into stake-holders by stipulating that 12% of the power is given to them free cost as a royalty, there is need to turn the project affected areas and persons also into stake-holders with a continuing stake not only in the completion but also in the continued operation of the project. **Finance:** • Longer term finance can correct the present peculiarity of high initial tariffs followed by very low subsequent tariffs. **River Basin Development:** • A proper river basin optimization study would not only enable better location of projects, but would also result in more cost-effective and co-

		ordinated infrastructure development in respect of roads and power evacuation. **Institutional Mechanism for Co-ordination among Developers in a Basin:** • Very close co-ordination and co-operation is required among developers working and operating in a river basin both during planning, implementation and operation of hydro projects. **Model Contract Documents:** • Ministry has set up a Committee under Chairman, CEA to prepare model contract documents for the use not only of public sector undertakings, but also of private developers. **Ultra Mega Power Project (UMPP) model for Hydro projects:** • It was decided that a sincere effort should be made to test the concept in the hydro sector. States have accordingly been requested to identify suitable sites which they would like to offer under this model. **Need for Data;** **Capacity Building and Human Resources Development.**
12.	**Salient Features**	• The existing dispensation available to the Public Sector under the National Tariff Policy 2006, regarding exemption from tariff based bidding up to January 2011, is also extended to private sector hydroelectric projects, which obtain CEA's concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011. • The States will call for bids from the short-listed developers who qualify the RFQ stage on a single quantifiable parameter identified from any of the options being exercised by the States either of more than 12% free power or equity participation or upfront payment etc. • The tariff of the project would be decided by the appropriate Regulatory Commission. • In order to enable the project developer to recover the costs incurred by him in obtaining the project site, he would be allowed a special incentive by way of merchant sales of up to a maximum of 40% of the saleable energy. With a view to ensure timely completion of these projects, delays of every six months in the commissioning date would result in reduction of merchant sales by 5%. • An additional 1 % free power from the project would be provided and earmarked for a Local Area Development Fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities etc. on a sustained and continued basis over the life of the project. • In the interest of speedy implementation of hydro electric projects, the Resettlement and Rehabilitation package can be more liberal than the National Resettlement and Rehabilitation Policy, 2007.
13.	**Others Measures for Promoting Hydro Power Development**	• Promoting Small and Mini Hydel Projects; • Three stage approval procedure for CPSUs; • Simplified Procedures for Transfer of Clearances; • Technical & Safety standards specified by the Authority; • Environmental & Forest Clearance of Hydro Projects; • Renovation & Modernization of hydro electric power stations; • Utilization of fly ash for construction of Hydro Projects.
14.	**Salient Features of the Approved R & R Provisions for Hydro Power Projects**	• The following provisions shall be applicable even if one family is affected by the development of a Hydro Power Project- Rehabilitation / Resettlement Colonies and Training and Capacity Building. • This Policy envisages additional provisions for Project Affected Families such as- scholarships for meritorious students, extension of medical facilities, marriage grants, subsistence grants, support for income generation schemes for cooperatives and self help groups etc.
15.	**Hydro Purchase Obligation**	• Hydro Purchase Obligation (HPO) is notified as a Separate entity within Non- Solar Renewable Purchase Obligation (RPO). The HPO shall cover all LHPs commissioned after issue of this Office memorandum as well as united capacity (i.e.) without PPA of the commissioned projects. • HPO Trajectory to have an aspirational target to install 30,000 MW

		within next 11 years (i.e. to reach 75000 MW by 2030 from the existing 45,399 MW). • HPO to also cover UNTIED CAPACITY of LHPs (LHPs commissioned before 08.03.2019 for which no long term HPO has ever been signed prior to that date). • HPO to be applicable for all Obligated Entities (Discoms/ Open Access Consumers/ non-renewable Captive Power Plants) in same manner as RPO applies to these. • States shall not meet their HPO from free power component of any LHPs i.e. HPO shall be met only by procuring power from eligible LHPs.
16.	**Tariff rationalisation measures for bringing down Hydro Power Tariff**	Tariff rationalization measures includes providing flexibility to the developers to determine tariff by back loading of tariff increasing project life to 40 years, increasing debt repayment period of 18 years and introducing escalating tariff of 2%.
17.	**Budgetary Support for Flood Moderation/Storage Hydro Electric Projects**	In principle approval is accorded for providing budgetary support through the budgetary grant of Ministry of Power for Flood Moderation component for storage HEPs to be set up in future. The value of flood moderation component will be worked by technical agencies, viz , CWC etc. in accordance with the guidelines. The amount required for flood moderation/Storage costa shall be released, through MoP budgetary provision after appraisal of each project, on a case to case basis, by Public Investment Board (PIB) Cabinet Committee on Economic Affair (CCEA) as per due process.
18.	**Budgetary Support to cost of Enabling Infrastructure**	This budgetary support would be provided after appraisal /approval of each project by PIB/CCEA as per the extant rules/due process. The limit of this grant for such roads and bridges would be as follows: • Rs. 1.5 crore per MW for projects upto 200MW. • Rs. 1.0 crore per MW for projects upto 200MW

Arunachal Pradesh Small Hydro Power Policy, 2007, Dated: 24.01.2008

Sl. No.	Description	Summary
1.	**Control/Review Period**	N.A.
2.	**Objective**	1. This policy envisages private participation in development of small hydro projects with certain attractive incentives. 2. This policy also envisages for formulation and notification of an Action Plan for Small Hydro Power Generation. 3. The players in this sector can be among private entrepreneurs, cooperative societies and NGOs in the State with the objectives of meeting the growing demand of power under this policy.
3.	**Classification of Projects**	• **Category - I:** Projects having installed capacities of above 1 MW and upto 25 MW shall have the capability of operating in both Grid and Isolation mode. This category of projects will have all components and features of conventional hydro power projects providing Grid Quality Power. • **Category - II:** Projects having installed capacities of above 100 KW and up to 1000 KW shall be designed for standalone mode for providing dedicated power to a village or a habitat or a locality or a cluster of villages with or without connectivity to grid. The power supply to the consumers shall be provided either at High Voltage or Low Voltage systems as the case may be. • **Category - III:** Projects having installed capacities of up to 100 KW shall be designed for standalone mode dedicated to a village or a habitat directly distributing power to the households without high tension systems.
4.	**Eligibility**	Registered Companies having its registered office in Arunachal Pradesh/Partnership concerns/Sole Proprietors/NGOs/Co-Operative Societies/Joint Venture concerns or consortium of Companies of which the leading partner being a bonafide Arunachalee shall be eligible for allocation of the projects under this policy.
5.	**Commercial Categories Of Power Producers**	**1. Independent Power Producers (IPPs):** This category of power producers shall produce power to sell power to the State power utilities/State Government under a 'Power Purchase Agreement' (PPA) at a pre-determined tariff or formula of tariff as defined by the SERC or the State Government as the case may be. The developer shall be provided with open access facility for which a separate agreement has to be settled with the State Transmission Utility (STU) at a tariff determined by the SERC/State Government. **2. Merchant Power Producers (MPPs):** • This category of power producers shall produce power to sale power to limited number of permitted pre-determined third party (or parties), preferably heavy power consuming industries set up within the State. The MPPs shall be provided with open access facility for which an agreement has to be settled with the State Transmission Utility (STU) before final decision of investment. The State is not bound to purchase MPPs power under this policy. • MPPs shall not be eligible for retail sale of power to general consumers to replicate the function of a DISCOM without a license.

<table>
<tr><td></td><td></td><td colspan="3">3. Captive Power Producers (CPPs) : This category of power producers shall produce power only for their own consumption, under this policy. CPPs shall be treated at par with that of MPPs as per as the other conditions are concerned.</td></tr>
<tr><td>6.</td><td>Projects Identification And Allocation</td><td colspan="3">The Government of Arunachal Pradesh shall allocate projects to the eligible applicant for development on BOOT (Build, Own and Operate and Transfer) basis for a period of 50 (fifty) years.</td></tr>
<tr><td rowspan="13">7.</td><td rowspan="13">Process Of Allotment</td><td colspan="3">1. Selection of developers shall be done based on the eligibility and qualification criteria as provided under this policy.
2. The selected developer shall deposit the prescribed processing fee and minimum base line Upfront Premium to the State Government. The Upfront Premium shall be generally a nonrefundable one time commitment fee which shall not have any bearing on the project account.</td></tr>
<tr><td>Category of Hydro Project</td><td>Processing fee</td><td>Minimum Upfront</td></tr>
<tr><td>Category — I</td><td colspan="2"></td></tr>
<tr><td>Above 10 MW up to 25 MW</td><td>Rs. 50,000 per Project</td><td>Rs. 20,000 per MW</td></tr>
<tr><td>Above 5 MW up to 10 MW</td><td>Rs. 35,000 per Project</td><td>Rs. 15,000 per MW</td></tr>
<tr><td>Above 1 MW up to 5 MW</td><td>Rs. 25,000 per Project</td><td>Rs. 10,000 per MW</td></tr>
<tr><td>Category — II</td><td colspan="2"></td></tr>
<tr><td>Above 100 KW up to 1000 KW</td><td>Rs. 15,000 per Project</td><td>NIL</td></tr>
<tr><td>Category — III</td><td colspan="2"></td></tr>
<tr><td>Up to 100 KW</td><td>Rs. 10,000 per Project</td><td>NIL</td></tr>
<tr><td colspan="3">• The Upfront premium paid shall not form part of the project cost.
• The selected developer shall be required to deposit the processing fee and Upfront Premium (both non-refundable) at the time of signing of the Memorandum of Agreement (MoA) with the State Government, failing which, the State Government shall have the exclusive right to re-allocate the project to any other eligible developer.</td></tr>
<tr><td>8.</td><td>Single Window Selection</td><td colspan="3">A High Level Selection Committee comprising of subject specialists will examine the proposals of the prospective developers and submit its observations/recommendations to the State Government.</td></tr>
<tr><td>9.</td><td>Statutory Clearances</td><td colspan="3">1. Within 12 months from the date of signing of the MoA the selected developer shall complete all post allotment obligations including preparation of DPR, possession of the project site and obtaining all statutory clearances of the State Government such as System Coordination and Techno Economic Clearance (SC & TEC)/ the MoE &F, Government of India, as the case may be.
2. If the project is found not feasible by the Standing Committee on Technical and Economic Affairs, the State Government, upon mutual understanding with the developer, shall terminate the agreement and the upfront payment shall be refunded to the developer without interest.</td></tr>
<tr><td>10.</td><td>Time Schedule For Commencement Of Work</td><td colspan="3">1. Upon failure of the developer to commence work at the project site within 18 months from the date of signing of the MoA, the agreement shall stand automatically terminated.</td></tr>
</table>

		2. Upfront payment shall be forfeited because of the time lost upon the State Government and blockage of the site.
11.	**Land Acquisition For The Project**	The land required for construction of the project and other allied infrastructures, as may be applied by the developer, shall be acquired and leased, to the developer against payment of land revenue as per relevant tariff of the State Government. The period of lease will be continued till the BOOT period of the project.
12.	**Rehabilitation And Re-Settlement**	Rehabilitation and Re-settlement works, if any, for displaced persons due to the project shall be financed by the developer, as per relevant law/ guidelines of the State.
13.	**Equity Participation**	The State Government shall reserve the right of equity participation on mutual understanding with the developer through its agency on Joint Venture.
14.	**Sale Of Power**	1. The developer under IPP category can enter into contract to sell power to the State Government through a PPA to be signed within 6 months after signing of MoA at a tariff, 10 paise lower than the tariff as determined by the CERC/SERC or the State Government as the case may be for sale to outside the State. 2. The developer under IPP/MPP/CPP category may be allowed after prior approval of the Government to sell power outside the state of Arunachal Pradesh only under a special license to do so in the event of surrender of contracted power. 3. The State Government shall open Letter of Credit in favour of the Developer in State Bank of India, Itanagar for an amount which would be specified in the PPA for regular transactions of power purchased from the IPP/MPP/CPP etc. as the case may be.
15.	**Banking Of Power**	Banking of Power shall not be allowed without prior permission of the State Government.
16.	**Transmission System And Evacuation**	1. The State Transmission Utility (STU) and the prospective developer shall enter into a proper understanding/Agreement about Power Evacuation System and open excess facility/availability before the developer takes final investment decision. 2. In this connection, a Letter of Comfort on Transmission (LCT) can be obtained from the STU before submission of application/ expression of interest for allotment of the project.
17.	**Wheeling Charges**	1. The existing transmission system or the systems built for the purpose and other allied facilities will be made available to all developers for Open Access and wheeling of power. 2. The developers shall have to enter into an agreement with the STU on payment at a wheeling rate as may be determined by the SERC/State.
18.	**Transfer And Sale Of Power Plant**	The developer will not be allowed to sale and transfer the power plant to any other party/parties without the prior permission of the State Government.
19.	**Free Power And Other Charges**	On all projects governed by this policy, as an incentive for timely completion, there shall be a moratorium of free power as given in the following table. Free power concessions will also be made available at the following concessional rates.

Sl. No.	Category	Moratorium Period from scheduled COD	Rate of free power after Moratorium period up to 50th Year.
1.	Projects up-to 1000 KW	Nil	Nil
2.	Projects above 1 MW up-to 5 MW	3 Years	5 %
3.	Projects above 5 MW up-to 10 MW	2 Years	8 %
4.	Projects above 10 MW up-to 25 MW	1 Years	10 %

20.	**Incentives By State Government**	1. The State Government shall facilitate in obtaining subsidies, tax concession etc. as may be available from the Central Government for development of SHP. 2. The State Government shall allow to the extent of 50% share of Carbon Credit benefit as may be available from Carbon Trading under CDM. 3. Indigenous tribal enterpreneurs shall be exempted from supplying free power to the State Government under this policy for projects up to 5 MW capacity.
21.	**Employment Opportunities**	The developer has to spell out clearly the employment opportunities to be provided to the bonafide Arunachalees as a part of his offer to the state in his application. This shall be one of the selection criteria for allotment of project under this policy.
22.	**Monitoring Of Projects**	The Government of Arunachal Pradesh shall have the right to monitor physical and financial progress of the projects on monthly/quarterly/half yearly basis as felt necessary from time to time through a Technical Committee.
23.	**General Conditions**	1. The developers shall be generally liable to pay all the statutory levies. 2. The developer shall pay an amount worked out at the rate of 1 (one) paise per unit of power sold during every financial year to the State Government for raising local area development fund effected by the project(s).

Arunachal Pradesh Hydro Power Policy – 2008

Dated: 19.12.2008

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Objectives**	• To harness hydropower potential of the State. • To develop hydropower projects in an eco-friendly manner causing minimum distress to affected people. • To accelerate the pace of hydropower development through participation of both the Central Public Sector Undertakings and Private Power Developers, as also by formulating Public Private Partnership. • To provide for creation of social and development Infrastructure through hydro power developers for local area development. • To ensure proper rehabilitation and resettlement of project affected people in order to improve their living standards. • To create job opportunities for local tribal people especially project affected people.
3.	**Hydropower Potential**	• Arunachal Pradesh has a hydropower potential of over 57000 MW. • Till 2004-05, the State Government could develop 53 micro/mini/small hydropower stations of installed capacity totaling 33.21 MW only. Besides. Ranganadi Hydroelectric Project of capacity 405 MW was developed by NEEPCO in the year 2000-2001. • Kameng Hydro Electric Project (600 MW) being implemented by NEEPCO is expected to be completed by 2012. Under the State sector, 37 Micro/mini/small projects have been taken up which are at various stages of construction with a targeted capacity addition of 58.99 MW.
4.	**Prime Minister's 50,000 MW Hydro Power initiative**	Under the Prime Minister's 50,000 MW hydro power initiatives, the Ministry of Power, Government of India have identified 89 projects in Arunachal Pradesh. Out of these, the Preliminary Feasibility Reports (PFRs) in respect of 42 projects having installed capacity totaling 27.293 MW (approx.) have already been prepared by the Government of India. Thus the State of Arunachal Pradesh is privileged to share more than 50% of the PM's 50,000 MW hydro initiative.
5.	**State Nodal Agency**	The Department of Hydro Power Development, Government of Arunachal Pradesh, has been declared as the State Nodal Agency to oversee, co-ordinate and monitor the activities of hydropower development in the State.
6.	**Incentives to the Developers of Mega Power Projects**	• As per the Policy, the import of capital equipment would be free of custom duties, and deemed export benefits in accordance with the Export Import Policy of Government of India, is extended to developers of mega power projects both in the public and the private sectors. • Moreover, income tax holiday of 10 years can be claimed by promoters of mega power projects in any block of 10 years within 10 to15 years.
7.	**Preparation of Preliminary Feasibility Reports / Detailed Project Reports**	• The State Government shall invite expression of interest from interested persons being either a company or consortium of companies or a corporation, either in the public or private sector and either of Indian or foreign origin for preparation of Preliminary Feasibility Reports (PFRs) and Detailed Project Reports (DPRs). The State Government will give scheme-wise / project-wise consent to .the selected person(s) (hereinafter called 'the consultant') for preparation of the Preliminary Feasibility Report (PFR), through the State Nodal Agency under the signature of the Secretary (Power), Government of Arunachal Pradesh or the officer duly authorized by him. • The proposal for site clearance received from the consultant will be processed by the State Forest & Environment Department only after receiving explicit NOC/ consent from the Department of Hydro Power

<table>
<tr><td></td><td></td><td>Development.
• The consultant shall submit the DPR to the State Nodal Agency. After due examination and scrutiny, if the DPR is found acceptable, the State Government may accept the same. The State Government may at its sole discretion consider and grant opportunity / role to the consultant In the development of the said project, including an opportunity to pick up equity stake in the project, of which the DPR has been submitted by him and which has been duly approved by the State Government.</td></tr>
<tr><td>8.</td><td>Development of hydro power projects above 25 MW and up to 100 MW</td><td>• The State Government may award the projects which have the projected capacity between 25 MW to 100 MW to persons, including private developers, through a negotiated MoA route.
• In respect of the projects envisaging projected capacity between 25 MW to 100 MW which have already been awarded to private developers on the negotiated MoA route and in cases, where the final capacity as per the DPR exceeds 100 MW, necessary enhancement in the installed capacity of the project would be allowed, if the committee constituted for the purpose by the Government of Arunachal Pradesh recommends and provided the developer agrees for the development of the project in joint venture with the State Government in which the Stale Government would be offered 26% of the equity stake.</td></tr>
<tr><td>9.</td><td>Participation (For above 100 MW capacity power projects) Private Sector</td><td>• Government of Arunachal Pradesh shall encourage Private Sector participation (both Indian & foreign companies) in the development of hydro electric projects in the State.
• The State Government shall allot the projects through the bidding route on such criteria as it may decide in the interests of the State.
• The projects shall be developed on Build, Own, Operate and Transfer (BOOT) basis. Entire cost of the project from investigation to the commissioning and subsequent operation and maintenance shall be borne by the developer and no liability of any kind shall be transferred to the State Government.
• Sale of power shall be the responsibility of the developer.
• The State Govt, shall be entitled to free of cost power to the extent of not less than 12% of power generated by the developer. The State will further reserve the right to purchase the power so generated over and above the State's share of 12 % of free of cost power subject to the State exercising its option and concluding a mutually acceptable power purchase agreement with the developer prior to the financial closure of the project.
• Land for the project shall be acquired by the State Government on behalf of the project/SPV and allotted in the name of the project. The developer shall pay the cost of the land so acquired.
• The equity participation of the State, if any, in such project, shall not be less than 11 % and not more than 26% of the total equity share capital of the project.
• The developer(s) of viable project(s) shall have to deposit non-refundable "Upfront Premium" including Processing Fees as stipulated hereunder:
<table>
<tr><th>Project Capacity</th><th>Minimum Upfront Premium</th></tr>
<tr><td>25MW-100MW</td><td>Rs 1.00 Lakh per MW</td></tr>
<tr><td>101 MW-500 MW</td><td>Rs 2.50 Lakh per MW</td></tr>
<tr><td>501 MW-1000 MW</td><td>Rs 3.50 Lakh per MW</td></tr>
<tr><td>1001 MW-2000 MW</td><td>Rs 5.00 Lakh per MW</td></tr>
<tr><td>2000 MW and above</td><td>Rs 6.00 Lakh per MW</td></tr>
</table>
• An additional 1 % free power from the project would be provided and earmarked for Local Area Development Fund by the developers. The State Government shall also provide a matching 1 % from its share of minimum 12 % free power as recommended in the Government of India's Hydro Power Policy - 2008.
• The developer shall deposit 0.1 % subject to a maximum ceiling limit</td></tr>
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<table>
<tr><td rowspan="5"></td><td rowspan="5"></td><td colspan="2">of Rs. 10.00 crores of the ,Project cost as Project Monitoring Evaluation and Co-ordination (both technical and financial) fees to the State Government The developer shall bear the State Government's share of 10 (ten) % of the project cost of RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) within & radius/surface distance from the Power House/Dam site as stipulated hereunder: -</td></tr>
<tr><td>For projects upto 100 MW</td><td>Within a radius /surface distance of 2.00 KM</td></tr>
<tr><td>For projects between 101 MW and 250 MW</td><td>Within a radius / surface distance of 5.00 KM</td></tr>
<tr><td>For projects between 251 MW and 500 MW</td><td>Within a radius /surface distance of 7.50 KM</td></tr>
<tr><td>For projects above 500 MW</td><td>Within a radius / surface distance of 10.00 KM</td></tr>
<tr><td rowspan="6">10.</td><td rowspan="6">Mandatory Provisions</td><td colspan="2">• The provisions relating to labour welfare as in force under the Labour Laws / Acts in vogue shall be strictly adhered to by the developer during implementation/operation and maintenance period of the project.
• The developer(s) of hydropower project(s) shall reserve the following categories of posts in the project to be filled up by the local tribal people, subject to the incumbents fulfilling the job requirements as stipulated below:</td></tr>
<tr><td>Managerial/Professional post</td><td>25%</td></tr>
<tr><td>Ministerial/Clerical post</td><td>50%</td></tr>
<tr><td>Skilled jobs</td><td>25%</td></tr>
<tr><td>Unskilled jobs</td><td>75%</td></tr>
<tr><td colspan="2">• The developer shall give preference to the local contractors fulfilling the eligibility criteria in the award of works except for the specialized jobs.</td></tr>
<tr><td>11.</td><td>Development of power projects through joint venture route</td><td colspan="2">• The Joint Venture model has ostensible benefits, wherein the State becomes active partner in the development of the Project and thus enjoys the fruits of Return on Equity as well as that of Free Power. In the said model, the State would also be able to regulate the progress of the development of the Project, by having active participation at the Board level of such Joint Venture Entity.
• HPDCAPL or any other Agency selected for the purpose shall be empowered to develop these projects in Joint Sector to ensure their expeditious development.
• There can be a tripartite agreement with reference to those projects where the HPDCAPL is also a party.
• Companies/private players may be provided a predetermined set of criteria and their response may be elicited on the same, on the basis of which suitable Developer/Company may be selected.
• The said predetermined set of criteria should contain following features :-
➢ The concessionaire period of 40 years on BOOT basis, after the expiry of which the Project would revert to the State, at no cost to the State.
➢ If the project is initiated through Joint Venture, the equity participation by the State Government/Corporation of State Government Undertaking will be from 51% to 26% of equity share depending upon the capacity of the State Government/Corporation's investment in the Joint Venture.
➢ The Joint Venture would be obliged to follow the Rehabilitation & Resettlement Policy 2008 of Arunachal Pradesh, including providing the funds for the local area development of the project area.
➢ The Joint Venture applicant should provide at least 12% free power of the deliverable energy of the project to the State from the date of commissioning of the Project till the expiry of the</td></tr>
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<tr><td rowspan="2"></td><td></td><td colspan="2">concessionaire period.
• The Joint Venture applicant would have to qualify and exhibit the following Technical and Financial Strength to be eligible for the joint venture:
♦ For the project capacity of 1000 MW and below, it should have either commissioned the Hydro Power/Thermal Projects of the total installed capacity of at least 100 MW or the same should be under construction.
♦ For the projects of above 1000 MW capacity, it should have either commissioned the Hydro Power/Thermal Projects of the total installed capacity of at least 500 MW or the same should be under construction.
♦ For the projects of above 2000 MW capacity, it should have either commissioned the Hydro Power/Thermal Projects of the total installed capacity of at least 1000 MW or the same should be under construction.</td></tr>
<tr><td>Financial Strength:</td><td colspan="2">• For the projects upto 1000 MW, it should have achieved financial closure of the Hydro Power/Thermal Projects of the total installed capacity of at least 100 MW.
• For the projects above 1000 MW capacity, it should have achieved the financial closure of the Hydro Power/Thermal Projects of the total installed capacity of at least 500 MW.
• For the projects above 2000 MW capacity, it should have achieved the financial closure of the Hydro Power/Thermal Projects of the total installed capacity of at least 1000 MW.</td></tr>
<tr><td rowspan="7">12.</td><td rowspan="7">Penal Clause</td><td>Installed Capacity</td><td>Rate of penalty per MW per month</td></tr>
<tr><td>25MW-100MW</td><td>Rs.10,000</td></tr>
<tr><td>101MW-500MW</td><td>Rs. 20,000</td></tr>
<tr><td>501 MW-1000MW</td><td>Rs. 30,000</td></tr>
<tr><td>1001 MW-2000MW</td><td>RS. 40,000</td></tr>
<tr><td>2001 MW-3000 MW</td><td>Rs. 50,000</td></tr>
<tr><td>3001 MW and above</td><td>Rs, 60.000</td></tr>
<tr><td>13.</td><td>Protection of Flora and Fauna</td><td colspan="2">• The developer shall be responsible for upkeep of the ecology of the project area and its surroundings by preventing deforestation, water pollution and defacement of natural landscape.
• The developer shall take all reasonable measures to prevent any destruction of flora and fauna, scarring or defacement of the natural surroundings within and in the vicinity of the project sites.
• The developer shall abide by the conditions laid down in the forest, wildlife and environmental clearances accorded by the competent authorities.</td></tr>
</table>

Policy for Development of Small Hydropower (SHP) 2007, Assam

Sl. No.	Description	Summary
1.	**Eligibility**	1. All Hydropower projects/stations with an installed capacity of up to 25 MW are eligible under this policy. 2. The projects shall be offered for a period of 35 (thirty five) years from the date of the award at the end of which they shall revert to the GOA.
2.	**Process of Allotment**	1. The allotment of the project may be on the basis of competitive bidding and direct allotment to pre-qualified IPPs /Users society depending on the preparedness of the site. 2. Applications in response to the advertisement should be accompanied by a non-refundable draft of Rs. 0.25 lac for the projects of capacity below 1 MW, Rs. 1 Lac 1 to 5 MW project and Rs. 2 Lacs for projects above 5 MW project payable to ASEB/GENCO or as may be decided by the GOA. 3. All pre-qualified bidders will be provided with the PFRs/DPRs prepared by the ASEB/GENCO or any other IPP/Users society nominated by the Power Deptt. GOA. 4. Bids shall be invited for premium payable upfront to the Government of Assam per MW in the case of each project/site, subject to a minimum threshold premium of Rs. 1 lac per MW installed Capacity or part thereof.
3.	**Allotment of Land**	Optimum requirement of land for implementation of a particular project shall be allotted/sold at a premium / lease to decided case wise and shall continue a part of the bid document.
4.	**Sale of Power**	The IPP /Users society can contract to sell power to any HT consumer within Assam (only up to and below 5 MW capacity), to local rural grids within Assam which are not connected to ASEB's/Successor Company's main grid, to rural power distribution entities (i.e. those which sell power to predominantly rural areas), to any consumer outside the state, or to the ASEB/Successor Company.
5.	**Wheeling Charges**	1. Wheeling charges for wheeling the generated energy to bulk purchaser/third party consumers inside or outside the State will be as determined by the Assam Electricity Regulatory Commission (AERC). 2. No wheeling charges are applicable in cases of sales to the ASEB/Successor Company in case power is supplied directly to ASEB/DISCOMs.
6.	**Evacuation of Power**	1. ASEB/GENCO will determine the specifications of the evacuation facilities required, including the interconnection point and voltage and the same would be specified in the project information document provided in the application form. 2. The cost of transmission lines in excess of 5 km shall be borne by the IPPs/Users society and ASEB/GENCO on mutually agreed terms and conditions.
7.	**Banking**	Developers can avail of the facility of banking of energy within fixed period spans of 6 months. This shall be approved, as may be required, by the regulator.
8.	**Despatch**	Priority will be accorded for dispatch into the grid by these IPPs/Users society ahead of merit order and any other source of supply, subject to any overall restrictions on the proportion of power that may be bought from such sources, which may be imposed by the Government/Regulator in the interest of keeping the overall cost of power purchase within reasonable limits.

9.	**Royalty/Duty/Taxes**	1. On all projects governed under this policy, a) For project upto 5 MW, there will be no royalty, provided entire energy generated is sold within the state of Assam. b) For above 5 MW, a royalty @Rs. 0.25 per unit of net energy generated will be paid to GOA by IPPs/Users society. It may be reviewed after 5 years. c) For power projects on irrigation canal fall/barrages/dams, a water cess @Rs. 0.05 per kWh per year shall be payable by IPPs/Users society to the irrigation department, GOA or otherwise as specified by the GOA for maintenance of the existing irrigation structures/facilities owned and operated by the irrigation department. 2. Electricity duty as per law will apply. 3. No further levies, taxes, charges other than those stipulated in this policy would be levied by the State Government and its IPPs/Users society or the Regulator on the IPPs/Users society governed by this policy, for a period of ten years from the date of this policy.
10.	**Entry Tax**	Exempted
11.	**Transfer of Allotment**	Free transfer of shares will be permitted in the companies allotted projects as per the procedure laid down in this document.
12.	**Time Limit for Executing the Project**	1. The IPP/Users ASEB/SHP Policy/ 2007 society shall be responsible for completeness of all submissions within 6 months from the date of allotment or any other period deem fit by the GOA. 2. Nodal Agency shall accord the approval of the DPR/ application within 2 months from the submission. IPP shall enter into an implantation agreement with the nodal agency within one month from the date of approval of the project. 3. The IPP/Users society shall achieve the financial closure within 12 months from the date of receipt of all statutory approvals and clearances given by the State and Central Governments. 4. The project should be made operational within 36 months from the date of receipt of all statutory approvals and clearances by the IPP/Users society.
13.	**Renovations, Modernization and Management of Existing Power Plants**	1. GOA will encourage renovation and modernization of those existing hydro plant owned by ASEB/GENCO/any other IPPs/Users society, which are technically conforming to the conditions of extension of operative life by more than 20 years at a fraction of the cost of New Plants. 2. GOA will decide to intrude the private sector, or NGOs or cooperative societies or any Power Development Societies on case-to-case and merit basis.

Bihar Policy for Promotion of Bihar New and Renewable Energy Sources 2017, Dated: 08.02.2017

Sl. No.	Description	Summary
1.	**Operative Period**	5-Years
2.	**Nodal agency**	Bihar Renewable Energy Development Agency (BREDA) will be the key agency for all renewable projects, except for small/ micro/ mini hydro projects, for which Bihar State Hydroelectric Power Corporation Limited (BSHPCL) shall be the nodal agency.
3.	**Objectives**	1. To target installed capacity of 2969 MW solar, 244 MW Biomass & Bagasse cogeneration and 220 MW small hydro power by 2022 in the state with an objective to meet the growing demand for power in an environmentally sustainable manner. 2. To attract private sector participation including foreign players in solar energy sector by providing conducive environment for setting up grid connection as well as decentralized renewable energy projects. 3. To provide decentralized renewable energy for agriculture, industry, commercial and household sector particularly in rural areas thereby improving the quality of power. 4. To support R&D, demonstration and commercialization of new and emerging technologies/applications 5. To promote local manufacturing contribute economic growth in the state. 6. To facilitate imparting necessary skills and capacity building in establishing, operating and managing RE projects to generate indirect employment opportunities for local population.
4.	**Eligibility**	All registered companies, Government entities, partnership companies/ firms, Individuals, Consortia, Panchayat Raj Institutions, Urban Local Bodies, Co-Operative or Registered Society and all consumers of Bihar state distribution companies will be eligible for setting up of RE Projects within the state for sale of electricity/captive use, in accordance with the Electricity Act-2003, as amended from time to time.
5.	**Grid Connected Solar**	In order to fulfil 8% solar RPO by 2022, and contribute to achieve a 100 GW target of the Government of India, MNRE has set a capacity target of 2969 MW for Bihar to be achieved by 2022.
6.	**Sale of Power to DISCOM (Projects size >2 MW)**	Determined through competitive bidding and shall help distribution companies fulfil their RPOs.
7.	**Sale of Power to DISCOM (Projects size <2 MW)**	Under this scheme, project size between 0.5 MW to 2 MW in multiple of 100 kW (peak AC output at the interconnection point) shall be allowed to be set up by land owning farmers, cooperatives, Societies, Gram Panchayats, Block - Panchayat-muncipalities, MSME units, existing Industrial units, etc. for sale of power to distribution companies (DISCOM) through competitive bidding or at BERC determined tariff on first come first served basis subject to the requirement for fulfilling the RPO.
8.	**Energy Certificates (REC) Mechanism**	The power from the projects shall be purchased by the state distribution companies at average pooled power purchase cost as determined by BERC.
9.	**Sale of Power to Captive Consumer**	The state shall promote solar project developers to set up solar projects for captive use, or sale of power to 3rd party, or to states other than Bihar through open access mode. Arrangement of wheeling, transmission, banking and

		applicability of charges like open access charges, cross subsidy surcharge shall be as per guidelines/regulations/orders of BERC.
10.	**Solar Power Projects Category**	1. Grid connected Rooftop solar PV 2. Solar rooftop on gross metering mode 3. Solar rooftop on net metering mode: project capacity ranging from minimum 1 kWp to 1 MWp with or without battery back-up support 4. 3rd party sale: Government of Bihar also encourages developers to set up rooftop solar projects for sale of power to a captive consumer or to a 3rd party. Applicable charges after adjusting incentives mentioned in this policy document will be payable to DISCOMs.
11.	**Small Hydro**	The state has significant Hydro potential that includes sites for developing Micro (up to 100 kW), Mini (101 kW-2 MW) & Small (2.001-25 MW) Hydro power projects. RE policy envisages cumulative target of 220 MW to be achieved from Micro/Mini/Small Hydro projects in Bihar.
12.	**Biomass** & **Bagasse Power**	1. The policy envisages that Biomass and Bagasse based cogeneration projects will contribute a cumulative target of 244 MW by 2022. 2. For any project having a capacity of 5 MW or more, BREDA (Nodal Agency)/SIPB (State Investment Promotion Board) shall not approve any other biomass based project within a radial distance of 25 km from approved project. However, BREDA/SIPB reserves the right to reduce or increase the above area, while keeping in view the availability of biomass in that area.
13.	**Mini-Grid Projects**	1. Mini grid projects with capacity size of up to 500 kW, and powered by solar, biomass, wind, or hybrid can be installed. 2. The Bihar government targets to achieve deployment around 100 MW of capacity equivalent of mini-grids.
14.	**Decentralised Applications**	The government now targets deployment of 10,000 solar powered pumps by 2022. The government targets deployment of 5000 m^2 solar concentrator area of CSTs by 2022.
15.	**Transmission & Distribution charges**	Exempted for wheeling of power generated from Renewable Power Projects for only captive use/third party sale within the State.
16.	**Transmission & Distribution Loss**	Exempted for Power Projects injecting at 33 kv or below irrespective of voltage-level of the delivery point within the Distribution company
17.	**Power Evacuation**	The capital cost of the transmission system for evacuation of Renewable Energy Power to the nearest sub-station including all metering and protective instruments shall be borne by the State Government, provided the power plant is located upto 10 km from the nearest sub-station.
18.	**Banking**	Banking of 100% energy shall be permitted for all Captive and Open Access/ Scheduled Consumers during each financial year. Banking charges shall be adjusted @ *2%* of the energy delivered at the point of drawing. It shall be guided by the orders issued by the state commission (BERC)
19.	**Cross-Subsidy surcharge**	Exempted for third party sale for projects setup within the State for the entire policy period of this RE policy.
20.	**Tax Related Incentive**	1. All new units can avail tax related benefits with a maximum limit as defined below: a) Non-priority sector: 70% of the approved project cost b) Priority sector; 100% of the approved project cost 2. All new micro and small units will be given tax benefits by additional 30% of the approved project cost. 3. All units engaged in generation of solar and/ or renewable energy for commercial purpose will be given tax benefits by additional 30% of the approved project cost

21.	**Land**	It is the responsibility of the project developer to acquire the required land for setting up the project. However, in case of land owned by Revenue Department, the land allotment shall be done as per the prevailing government policy.
22.	**Pollution Clearance**	1. Power plants upto 15 MW, based on biomass and using auxiliary fuels such as coal/lignite/petroleum products up to 15% are exempted. 2. Power plants up to 15 MW, based on non-hazardous waste municipal and using auxiliary fuels such as coal/ lignite/ petroleum products up to 15% are exempted. 3. Power plants using waste heat boiler without any auxiliary are exempted.
23.	**Building Manufacturing Capacity**	Manufacturing units shall also be offered Exemption from electricity duty for a period of five (05) years.
24.	**Transmission Infrastructure**	The capital cost of the transmission system for evacuation of Renewable Energy Power to the nearest sub-station including all metering and protective instruments shall be borne by the State Government, provided the power plant is located upto 10 km from the nearest sub-station
25.	**Bihar Renewable Energy Development Fund**	1. Power producers willing to set up grid connected Renewable Energy projects should submit their application in the prescribed format along with a registration fee of Rs. 100 per kWp, subject to minimum Rs, 2000 per project and maximum upto Rs, 10,000 per project. Projects with an individual capacity of more than 1 MW shall also contribute a one-time payment as facilitation fee of Rs. 100,000/MW, payable at the time of application towards creation of Bihar state Renewable Energy Development Fund. 2. Additionally, with approval from BERC, a renewable energy development cess of 10 paise/unit will be charged for each unit of power sold by state DISCOMs for all consumer except BPL & agriculture consumer and deposited against the fund. 3. A service charge of 7% shall be charged by BREDA for execution of RE projects which will contribute towards the Bihar renewable energy development fund

Gujarat Small Hydel Policy- 2016, Dated: 28.03.2016

<table>
<tr><th>Sl. No.</th><th>Description</th><th colspan="2">Summary</th></tr>
<tr><td>1.</td><td>Nodal Agency</td><td colspan="2">Gujarat Energy Developer Agency (GEDA)</td></tr>
<tr><td>2.</td><td>Objectives</td><td colspan="2">1. To promote renewable and clean source of electricity to reduce carbon emissions through Small Hydel Projects;
2. To promote setting up of Small hydel projects on canal system, rivers and streams to harness untapped clean energy;
3. To reduce dependency on depleting fossil fuel reserves for energy security and sustainability;
4. To promote investment, employment generation & skill enhancement in Renewable Energy Sector;
5. To encourage research and development and innovative technologies in Small Hydel Projects;
6. To create environmental consciousness among citizens.</td></tr>
<tr><td>3.</td><td>Operative Period</td><td colspan="2">1. This policy will come into effect from the date of its notification and shall remain in operation for a period of five years.
2. The Small Hydel Projects installed and commissioned during the Operative Period shall become eligible for the benefits and incentives declared under this Policy for a period of 35 years from the date of commissioning or for the lifespan of the Small Hydel Projects, whichever is earlier.</td></tr>
<tr><td>4.</td><td>Eligibility</td><td colspan="2">Any individual, company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person will be eligible for setting up of Small Hydel Projects either for the purpose of captive use or for sale the electricity to Obligated Entities i.e. Distribution Licensees or to any other Third Party.</td></tr>
<tr><td>5.</td><td>Suitable Sites and Land</td><td colspan="2">1. Prospective Developer of Small Hydel Project may select suitable sites in consultation with the concerned authorities like Revenue Department, Narmada, Water Resources, Water Supply & Kalpsar Department, Sardar Sarovar Narmada Nigam Ltd etc as the case may be.
2. Alternatively, Narmada, Water Resources, Water Supply & Kalpsar Department or such other Government authority having control over Canals, rivers, streams etc. may identify such suitable sites/locations, and prepare DPR and offer the same to the Developers through competitive bidding.</td></tr>
<tr><td rowspan="5">6.</td><td rowspan="5">Grid Integration</td><td colspan="2">Interconnection voltages shall be governed as per Gujarat Electricity Grid Code-2013 and GERC's orders, as amended from time to time.</td></tr>
<tr><td>Project Capacity (C)</td><td>Interconnection Specification</td></tr>
<tr><td>6 kW < C < 100 kW</td><td>415 V, 3ϕ, 50 Hz</td></tr>
<tr><td>100kW<C<4MW</td><td>11 kV, 3 ϕ, 50 Hz</td></tr>
<tr><td>C>4MW</td><td>66 KV & above, 3 ϕ >, 50 Hz</td></tr>
<tr><td>7.</td><td>Grid Connectivity and Evacuation Facilities</td><td colspan="2">1. The appropriate voltage for injection of power by Small Hydel Projects shall be as per the GERC Supply Code and amendment thereof.
2. The evacuation facility shall be initially approved by GETCO / DISCOM after carrying out System Studies.
3. The developer of Small Hydel Projects shall establish dedicated transmission lines for evacuation of power upto nearest GETCO Substation/ Discom's network, install RTUs, other equipment as may be determined by GETCO/DISCOM etc at their own cost.</td></tr>
</table>

8.	**Metering and Energy Accounting**	1. Electricity generated from Small Hydel Projects, shall be metered on 15-minute time block by STU / DISCOM / SLDC / ALDC at the receiving end of GETCO - STU substation / 11 KV system of DISCOM as the case may be. 2. For the purpose of energy accounting, Small / Mini / Micro Hydel Projects shall provide ABT-compliant meters at the interface points. Interface metering shall conform to the Central Electricity Authority (Installation and Operation of Meters) Regulations 2014 and amendment thereto. GETCO / DISCOM shall stipulate specifications in this regard.
9.	**Sale of Electricity to be Obligated Entities**	1. Obligated Entities may purchase power from Small Hydel Projects to fulfill their RPO at the tariff as determined by GERC or rate determined through competitive bidding. 2. Upon entering into PPA with Obligated Entities (entities obligated to fulfill the RPO as prescribed by GERC from time to time), the Developer of Small Hydel Projects shall be required to provide Bank Guarantee at Rs. 5 lakhs per MW or part thereof. The bank guarantee shall be refunded, if the developers achieve commercial operation within time period mentioned in Power Purchase Agreement. 3. In case Developer fails to achieve commercial operation as specified in the PPA, the bank guarantee shall be forfeited.
10.	**Wheeling of Electricity**	**For Captive Consumption** **1. Wheeling of power to consumption site at 66 kV voltage level and above:** The wheeling of electricity generated from Small Hydel Project to the desired location(s) within the State shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer. **2. Wheeling of power to consumption site below 66 KV voltage level:** In case injection is at 66 KV or above and drawl is at 11 KV, wheeling of electricity generated within the state, shall be allowed on payment of transmission charges and transmission losses applicable to normal Open Access Consumer and 50% of wheeling Charges and 50% of Distribution losses of the energy fed to the grid as applicable to normal open access consumers. **3. Injection at 11 kV and drawl at 11 kV and below voltage level:** (a) When the point of injection and drawl at 11 kV or below voltage level lies within the same distribution area, the user shall pay 50% of wheeling Charges and 50% of wheeling losses of the energy fed to the grid as applicable to normal open access consumers. (b) In case the points of injection and drawl at 11 kV or below voltage level lie in areas of different distribution licensees, the user shall pay 50% of wheeling Charges and 50% of losses of the energy fed to the grid as applicable to normal open access consumers for each Distribution Licensee. (c) In addition, transmission charges and transmission losses as applicable to normal Open Access Consumer shall be payable.
11.	**For third party sale for Captive Consumption**	1. Wheeling of power for third party from Small Hydel Project shall be allowed on payment of transmission charges, wheeling Charges and losses of the energy fed to the grid, as applicable to normal open access consumers. 2. 50% of Cross Subsidy Surcharge and Additional Surcharge, as applicable to normal open access consumers, shall be applicable.
12.	**Wheeling more than one locations**	Small Hydel Project owners, who desire to wheel electricity for captive use/ third party sale, to more than one location, shall pay 5 paise per unit on energy fed in the grid to the Distribution Company concerned in whose area power is consumed in addition to above mentioned transmission charges and loses, as applicable.
13.	**Wheeling below 100 KW**	For the captive use and third party sale, wheeling of electricity below 100 KW will be allowed only within the same distribution licensee area where plant is located.

14.	**Energy Accounting**	1. Case:1 (a) For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/ demand charge, energy charges, peak charge, other charges / penalty etc as applicable to other consumers. (b) Surplus power, after giving set off, shall be purchased by Distribution Company at Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/ demand charge, peak charge, other charges / penalty etc shall be applicable to as applicable to other consumers. (c) The entire generation shall be considered for fulfilling RPO of Distribution Company. **2. Case 2:** If the Consumer takes renewable attributes of hydel energy consumed for meeting its RPO, then energy accounting shall be based on 15 minute time block-basis. **3. Case 3:** (a) If registered under REC mechanism: Energy accounting shall be based on 15 minute time block-basis. (b) For net import of power, Distribution Company will charge applicable tariff of respective category to the consumer including fixed/ demand charge, energy charges, peak charge, other charges / penalty etc as applicable to other consumers. (c) Surplus power, after giving set off, shall be purchased by Distribution Company at 85% of Average Pooled Power Purchase Cost (APPC) of the year of commissioning of the project. Fixed/ demand charge, peak charge, other charges / penalty etc shall be applicable to as applicable to other consumers.
15.	**Concessional Benefits and Exemptions**	1. Electricity generated and consumed for self consumption / sale to third party within the State shall be exempted from payment of electricity duty. 2. Exemption from demand cut to the extent of 50% of installed capacity of Small Hydel Project in case of captive consumption and third party sale within the State.
16.	**REC Mechanism**	Small Hydel Projects availing open access for captive use/third-party sale under REC mechanism shall be governed as per CERC REC Regulations.
17.	**Renewable Purchase Obligation (RPO)**	Obligated Entities may fulfill their RPO by purchasing hydel power at the tariff determined by GERC or tariff determined through competitive bidding process keeping in view the interest of consumers.
18.	**Forecasting and Scheduling**	These power projects shall give their forecast and scheduled for day to day operations.
19.	**Reactive Power Charges**	As per the GERC order
20.	**Operation & Maintenance**	The Operation and Maintenance of dedicated evacuation line shall be carried out at the cost of the Developers of Small / Mini / Micro Hydel Projects as per applicable technical standards and best practices.
21.	**Restrictions**	1. Only New Plant & Machinery shall be eligible for installation under this Policy. 2. The release of water in canals shall be controlled by the Narmada, Water Resources, Water Supply & Kalpsar Department or SSNNL, as the case may be, and the availability of canal water for hydro-electricity generation shall be solely incidental to the requirement of water for drinking, irrigation etc. The hydel project developer shall have no right to claim release of water in the canal, river or stream for the purpose of hydel generation.

22.	**CDM Benefits**	In case, Discom purchase power on Feed-in-Tariff, Clean Development Mechanism (CDM) benefits shall be shared on net proceeds, starting from 100% to power producer in the first year after commissioning, and thereafter reducing by 10% every year till the sharing becomes equal (50:50) between the power producer and the power procurer, in the sixth year. Thereafter, the sharing of CDM benefits shall remain equal till the time that benefit accrues.

Policy for Promoting Generation of Electricity through Renewable Energy Sources, Haryana, Dated: 23.11.2005 with amendment Dated: 19.06.2008, 29.03.2010

Sl. No.	Description	Summary
1.	**Nodal Agency**	HAREDA- Haryana Renewable Energy Development Agency
2.	**Objective**	To create conditions conducive for the involvement of private sector or public – private sector participation in Renewable Energy Sources based power projects in the State.
3.	**Target**	The State Govt. aims to achieve a minimum of 10%(i.e. 500 MW) of the total capacity addition of 5000 MW of conventional power to be generated through Renewable Energy Power Projects by 2012 as per Ministry of Non-conventional Energy Sources, Govt. of India's policy .
4.	**Power Generation from Biomass**	A potential of generation of 1400 MW of power through biomass exists in the State. The State Govt. is committed to exploit this potential.
5.	**Power Generation through Bagasse Co-generation**	To harness the potential of cogeneration in cooperative / private sector sugar mills which is estimated to be 100 to 150 MW.
6.	**Power Generation through small hydro power projects**	To harness 45 MW of power which can be generated through the water falls available at various locations in canals of the State.
7.	**Municipal Solid Waste**	The daily availability of Municipal Solid Waste in cities like Faridabad, Gurgaon, Ambala, Sirsa,Yamunanagar, Panipat,Rohtak, Bhiwani, Sonepat, Hisar is between 120 metric tonnes to 600 metric tonnes. Waste to energy power plants or fuel palletisation plants based on Municipal Garbage can be set up in these cities to generate about 17MW of power.
8.	**Solar Energy**	The solar insolation level in the State is in the range of 5.5 KWH to 6.5 KWH per sq.mtr. of area and the State has about 320 clear sunny days in a year.
9.	**Wind Energy**	Sufficient untapped wind energy power potential is available in the State specifically in the Morni hill area of Distt.Panchkula and Aravelli Hills in Southern Haryana. Wind Monitoring Stations are being set up in Panchkula, Gurgaon and Mahendergarh districts to assess the available wind potential for power generation in the State.
10.	**Operative Period**	The scheme of promotional and fiscal incentives as contained herein will come into operation with the date of its notification in the official gazette and will remain in force till a new policy is notified.
11.	**Eligible Producers**	Those who intend to generate electricity from Non-conventional Energy Sources such as Solar, Wind-Electric Generators, Biomass Combustion, Cogeneration, Municipal and Industrial Waste, Small Hydro (upto 25 MW) and New Technologies like Bio-oil, Fuel Cell etc. There will be no restriction on generation capacity or supply of electricity to the grid.
12.	**Grid Interfacing**	1. In case of co-generation/ captive power generation two sets of separate meters will be installed, one for export of power and other for import of power. 2. Capacitors of sufficient rating will also be provided in the equipment to ensure that the power factor is always maintained above 0.8. 3. There shall be no restriction on the generation capacity of the project
13.	**Wheeling Charges**	As per HERC.

14.	**Banking**	1. The banking facility shall be allowed for a period of one year by the Licensee/ Utilities free of cost. However, withdrawal of banked power should be allowed only during non-peak hours. 2. If the banked energy is not utilized within a period of twelve months from the date of power banked with the concerned power utilities/ licensee, it will automatically lapse and no charges shall be paid in lieu of such power.
15.	**Electricity Duty**	Exempted
16.	**Water Charges**	Producer will be allowed to use the water for power generation through micro/ mini/ small hydel plants. No royalty will be charged on the water used for power generation for non-consumptive use.
17.	**Local Area Development Tax**	Local Area Development Tax will be exempted on plant, machinery, equipment that has been capitalized in view of the provisions of section 5(f) of Haryana Act No.13 of 2000.
18.	**Tenure for PPA**	20-Years or more depending on the plant's life.
19.	**Land**	1. The State Govt. will acquire land if necessary at the cost of Independent Power Producers (IPP) if a request to that effect is made. 2. Setting up of Renewable Energy Power Projects in the State will be permitted by the Town & Country Planning Department without levying of Change of land use charges, External Development Charges, Scrutiny Fee and Infrastructure Development Charges.

Himachal Pradesh Hydro Power Policy 2006

Sl. No.	Description	Summary
1.	**Nodal Agency**	HIMURJA
2.	**Objectives**	1. To speed up the Power Development in the State and achieve capacity addition. 2. To generate and provide employment opportunities to the people of the Himachal Pradesh. 3. To make Power sector a major source of revenue to the State. 4. To secure long term financial interests of the State. 5. To achieve financial turnaround and commercial viability of Power Sector. 6. To develop local area by creation of Local Area Development Committee financed through Power Projects. 7. To establish and promote Power trading entity in the State. 8. To provide indiscriminate access of the electricity to all the households in the State in the immediate near future and to protect the interest of consumers. 9. To make available reliable, regular and quality Power on demand at affordable rates in the immediate near future. 10. To promote & provide continued support for development of renewable energy sources like SHPs, Solar, Biomass, Water Mills etc;
3.	**The features of the Power Policy are enumerated as under**	1. Reliable, eco-friendly, mature and proven technology. 2. More suited for the sensitive mountain ecology. 3. Can be exploited wherever sufficient water flows along small streams, medium to small rivers. 4. Does not involve setting up of large dams or problems of deforestation, submergence or rehabilitation. 5. Non-polluting, entails no waste or production of toxic gases, environment friendly. 6. Small capital investment and short gestation period. 7. Minimal transmission losses. 8. With careful planning and adoption of simplified and standardized designs, SHP installations are becoming increasingly competitive with thermal, diesel or gas based power generation.
4.	**Himachal Beckons You**	1. Small Hydro Power potential of more than 2000 MW in Himachal Pradesh. 2. An attractive package of incentives. 3. Overwhelming response in the previous phases. 4. Ever increasing demand of power in the North India. 5. Easy access by road/train/air. 6. Well developed road network within the State and easy accessibility to the sites. 7. Peaceful industrial climate -Excellent rapport between workforce and industry. Cooperative labour pool/workforce. 8. A salubrious climate. 9. Well knit communication network with FAX/ STD/ISD facilities available in all the corners of the State. 10. An extensive network of high/medium/low tension lines enabling easy connectivity to grid.
5.	**General**	1. The Government of Himachal Pradesh has been laying the desired thrust for encouraging generation of power through renewable energy sources as well as the SHPs including and up to a capacity of 5 MW through an agency called "HIMURJA".

<table>
<tr><td>6.</td><td>Subsidy</td><td>The subsidies being provided by the Department of Civil Supplies and Forests etc. shall be gradually phased out and corresponding amount shall be provided as subsidy to the consumers for the procurement of such gadgets of Non-conventional Energy Sources at affordable prices by the State Government upto 50% of the cost.</td></tr>
<tr><td>7.</td><td>CDM Benefits</td><td>The developer should carry out development of the Project(s) so that these qualify for carbon credits at the National / International levels. Sale of such equivalent carbon credits by the developer on account of development of Project(s) should be through competitive process amongst buyers, in order to derive the maximum benefits.</td></tr>
<tr><td>8.</td><td>Incentives for SJVN and NHPC Projects</td><td>1. Reimbursement of 50% State GST;
2. Pre-construction LADF can be paid from any head other than Project Cost;
3. BOOM/ BOOT for 70 years;
4. Staggering/ deferment of free power on project to project basis to make projects commercially viable (Rs. 4.5 per Unit):
• For 2 projects of SJVN:
➢ 4% : 1 to 10 yrs.
➢ 8% : 11 to 25 yrs.
➢ 12% : 25 to 40 yrs.
• For NHPC project
➢ 3% : 1 – 5 yrs.
➢ 5% : 6-10 yrs
➢ 8% : 11-15 yrs.
➢ 14% : 16- 25 yrs.
➢ 20% : 26-40 yrs</td></tr>
</table>

Policy for Development of Small Hydro Energy for Power Generation (Upto 10 MW) Government of Jammu & Kashmir 2017

Sl. No.	Description	Summary
1.	**Nodal Agency**	Jammu & Kashmir Energy Development Agency (JAKEDA)
2.	**Objective**	1. Energy Security 2. Economic Benefits 3. Social Equity
3.	**Scope of Policy**	The policy shall cover small hydel projects upto 10 MW Capacity.
4.	**Projects Categories**	1. Independent power projects (IPPs) based on new plants (for sale of power to the grid or any other customer within or outside the State) a) Solicited b) Unsolicited 2. Captive and grid spill over power projects (i.e., self-use and sale to utility or any other customer within or outside the State) 3. Captive power projects (i.e., for self or dedicated use) 4. Self identified projects 5. Isolated grid power projects (i.e., small, stand-alone) a) Solicited b) Unsolicited.
5.	**Mandatory Purchase of Electricity**	It shall be mandatory for the power distribution utilities to buy all the electricity offered to them by the projects established in accordance with the provisions.
6.	**Grid Connection, Off-take Voltage and Interface**	Electricity shall be purchased from power producers at a voltage of 220 kV at the outgoing bus bar of the power station 1. if the power station is located within 70 km of an existing 220 kV transmission line, 2. or at132 kV if it is within 50 km of an existing 132 kV transmission line, 3. or at 33 KV if it is within 10 Km of existing 33 KV transmission line or at11 kV if it is within 5 km of an existing 11 kV transmission line.
7.	**Wheeling**	1. Power producers shall also be allowed to enter into direct (bilateral) sales contracts with end-use customers. 2. For direct sales, they shall be required to pay wheeling‘ charges for the use of the transmission and/or distribution grid network used to transport the power from the plant to the purchaser. 3. This wheeling charge will reflect the cost of providing and maintaining the transmission interconnection, including the energy losses suffered enroute, as calculated by JKSERC.
8.	**Specific Incentives for Grid-Connected IPPs**	**Carbon Credits**: It is appropriate that any carbon credits obtained by IPPs be utilized to improve the economic competitiveness of hydel based grid power for both the procurer and the producers.
9.	**Facilities for Captive and Grid Spill over Projects**	**Net Purchase and Sales:** Net purchase and sales—or net billing —arrangements will involve measurement of the electricity received and supplied to the utility by the power producer using two separate sets of unidirectional meters. **Net Metering:** a) A power project of capacity up to 10 MW set up for self (captive) or dedicated

		use may also supply surplus electricity to the power utility while at other times drawing electricity from the utility to supplement its own production for local use . b) Net metering arrangements may involve separate sets of unidirectional meters for recording the electricity received and supplied to the utility by the power producer, or special bidirectional meters capable of instantaneously recording net power transfers. **Banking:** a) Under this arrangement, a producer may generate and supply power to the grid at one location and receive an equivalent number of units for self use (say, at a factory) at a different or physically distant location on the grid at a different time without paying any wheeling charges, but subject to the distance limits for power input and off take as noted in clause 6. b) Any excess (net) units supplied by the producer‘s plant in a given month shall be credited to the producer on a rolling monthly basis (i.e., deducted from the next month‘s consumption).
10.	**Facilities for Off-grid and Dispersed RE Power Generation**	For projects up to11 kV that are not connected to national or regional utility grids, such projects Environmental clearance shall not be required, provided minimum permitting requirements, as defined, are met.
11.	**Financial and Fiscal Incentives**	These facilities shall be equally applicable to private, public-private, and public sector hydropower projects. **Fiscal Incentives:** a) No entry tax or sales tax for machinery equipment and spares. b) Exemption from income tax. c) Repatriation of equity along with dividends freely allowed, subject to rules and regulations prescribed by the Government Jammu& Kashmir. d) Parties may raise local and foreign finance in accordance with regulations applicable to industry in general. **Financial Incentives:** a) Permission for power generation companies to issue corporate registered bonds. b) Permission to issue shares at discounted prices to enable venture capitalists to be provided higher rates of return proportionate to the risk c) Non-residents allowed to purchase securities issued by Jammu & Kashmiri companies without the Government of Jammu& Kashmir‘s permission.
12.	**Sale of Power to Grid or any other Customer within or outside the State**	The bidding variable shall be upfront premium only. The threshold value of upfront premium shall be Rs 3.0 lacs per MW. **Details required for Unsolicited Proposals:** a) Statement of qualification of project sponsors, listing relevant corporate experience, personnel, and financial capacity, b) Project name c) Project location (including geographical or GPS coordinates) d) Proposed net installed capacity (MW) and expected annual energy output (MWh) e) Basic outline of plant and structures f) Summary implementation plan, committing milestones for project preparation, implementation and completion date. g) Estimated distance from the nearest 132 kV or 33 KV or 11 kV line or grid station . **Processing Steps for Unsolicited Proposals:** • Submission of Unsolicited Proposals • Evaluation of Unsolicited Proposals and Issuance of Letter of Intent

		• Feasibility Study • Validity Period of Letter of Intent • Request for Determination of Tariff • Performance Guarantee and Letter of Support **Process Steps for Solicited Proposals** • Request for Proposals • Bid Bond, Upfront Premium ,Performance guarantee and Letter of Support • Process Subsequent to Issuance of LoS
13.	**Fee Structure**	1. Registration 5000 Rs. 2. Prequalification fee including cost of prequalification Documents 25000 Rs. 3. Cost of RFP documents 25000 Rs. 4. Project facilitation and evaluation expenses for projects registered with JAKEDA Government • 1 ≤ 5 MW : 25000 Rs. • 2 > 5 MW to 10 MW : 50000 Rs. 5. Solicited projects :Threshold value shall be Rs 3.0 lac /MW 6. Unsolicited projects : Threshold premium of Rs.3.0 lac per MW whichever is higher 7. Performance Guarantee for successful commissioning of the project before issuance of Letter of Support (LoS) by JAKEDA • (Solicited Projects) Rs. 5,00,000/MW capacity • Unsolicited projects Rs. 5,00,000/MW capacity 8. Legal/processing fees Rs. 1,00,000
14.	**Lock-in Period**	The 'Main Sponsor' (defined as the individual or group holding at least26% equity in the IPP project), together with other initial project shareholders, must hold 51% of the project equity for a period up to the project's Commercial Operations Date (COD). After COD free transfer of shares shall be permitted.
15.	**Types of Contracts**	1. IPP projects for sale of all power to the grid system may be implemented through either 'Build, Own and Operate' (BOO) and 'Build, Own, Operate, and Transfer' (BOOT) contracts between the parties concerned, valid for a period of not less than 35 years. 2. For the other type of projects, no such contracts shall be required.
14.	**Determination of Tariff**	**For Grid-Connected IPPs:** The guidelines issued/amended by JKSERC for determination of tariff for hydro power projects from time to time shall be applicable.
15.	**Water Charges**	**Exempted**

J & K Hydroelectric Projects Development Policy, 2011, Dated: 07.07.2011

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Total Potential**	20,000 MWs
3.	**Objectives**	• Expeditious development of available hydro power of the State. • Maximization of benefits to the State by meeting its power requirements and giving a fillip to economic growth. • Provide employment opportunities to the people of the State. • Develop hydropower projects in an environment-friendly manner with minimum dislocation of project affected people. • Provide for creation of social and development infrastructure of the local area by hydro power developers and through the Local Area • Development Fund. • To accelerate the pace of hydropower development through private sector participation by removing the implementation related difficulties of IPPs. • To bring in the investment and associated efficiency from the private sector.
4.	**Applicability**	• The policy shall apply to such Hydropower projects/stations of estimated installed capacity of 2-100 MWs as may be notified by the JKSPDCL for execution by IPPs. • Hydropower Projects of more than 100 MWs capacity shall not be covered by this policy. Policy framework, guidelines, bidding parameters, etc for this category will be project specific and shall be notified accordingly.
5.	**Implementation Framework**	In 2008, the State Government has approved an implementation framework for development of Hydroelectric Projects outlining the following modes of execution: 1. Execution of projects as purely state projects with 100% ownership by JKSPDCL. 2. Execution of large projects through Joint Venture of JKSPDCL with Central Public Sector Undertakings under Memorandum of Understanding (MoU) route. 3. Execution of projects through Public Private Partnership (PPP) mode in the form of Joint Venture of JKSPDCL with private sector for large projects and selection of JV partner through transparent process. 4. Execution of large projects through independent power Producers (IPP) on Build, Own, Operate and Transfer (BOOT) basis through international competitive bidding (ICB). 5. Execution of small projects through Independent Power Producers (IPP) on Build, Own, Operate and Transfer (BOOT) basis through competitive bidding.
6.	**Nodal Agency**	Jammu & Kashmir State Power Development Corporation Limited
7.	**Land**	JKSPDCL will acquire land strictly as per component wise project requirement for the IPPs and lease the same to the IPPs on payment of premium/rentals to be determined by the Government till the expiry of Concession Period.
8.	**Construction of Projects**	Construction of project infrastructure including approach roads, arrangement for water supply, power for construction purposes, etc. shall be the responsibility of the IPP and the cost thereof shall be borne entirely by the IPP.
9.	**Prequalification**	• A two stage bidding process will be adopted comprising Request for Qualification (RfQ) followed by Request for Proposal (RfP). Bidders who are declared qualified after submission of RfQ documents and evaluation will be allowed to participate further and bidders who are declared not qualified will not take any further part in the bidding process. • The requirement/threshold value in respect of financial capacity, technical capability, experience and other relevant attributes of the bidders, shall be specified in the RfQ. Criteria for evaluation shall also be laid out in the RfQ. • Ordinarily, no IPP would be awarded more than 3 Projects or projects with aggregate capacity of more than 200 MWs, whichever is higher. While making such assessment, Projects already under execution by the IPP in the State shall be taken into account.

		• Change of composition of Consortiums/Joint Ventures shall not be permitted without approval of JKSPDCL after submission of bids/award of project as it has direct relation to the pre-qualification of the IPP.
10.	**Process of Allotment**	• The Request for Qualification shall also be accompanied by a nonrefundable deposit towards processing fee in the shape of demand draft of Rs. 1.00 lac (Rupees one lac) for Projects upto 10 MWs and Rs 2.00 lacs (Rupees two lacs) for projects more than 10 MWs drawn in the name of Jammu & Kashmir State Power Development Corporation Limited (JKSPDCL), payable at Srinagar or/Jammu. This processing fee shall be for each Project for which IPP submits RfQ. • The successful bidders would be required to pay an upfront premium which shall not be less than Rs.4.0 lacs per MW for 2-25 MW Projects, not less than Rs.6.0 Lacs for Projects above 25 MW and upto 50 MW and not be less than Rs.8.0 Lacs per MW for Projects above 50 MW and upto 100 MW. The exact value of the upfront premium shall be specified in the bid document.
11.	**Transfer of Allotment**	Transfer of shares, as per law, will be permitted to the IPPs that have been allotted the projects. However, permanent residents of Jammu & Kashmir shall hold majority share in companies which are awarded projects under reserved category.
12.	**Project Execution Timeline Penalty**	• Failure may attract a penalty on the IPP depending on the degree of slippage. In any case, a penalty @ Rs 5 lacs per MW shall be imposed on the IPP for every month of delay in financial closure before resetting the timelines. Also, a penalty @ Rs 5 lacs per MW shall be imposed on the IPP for every month of delay in scheduled COD. • Failure as approved by JKSPDCL may also result in cancellation of allotment of the Project to the IPP, and forfeiture of upfront premium amount without any compensation. • If COD is achieved earlier than scheduled COD, IPP will not be required to provide free power/Royalty upto the scheduled COD.
13.	**Sale of Power**	• The IPP shall, after allowing for J&K's share of power including free power, be free to sell the balance power as it deems fit, within or outside the State. In case of sale to the State, its supply shall be metered at interconnection point. • In respect of projects upto 25 MW, J&K shall procure 30% power at the tariff determined by the Regulator. • In respect of projects above 25 MW, J&K shall procure quantum of power as indicated in the bid document at the tariff determined through competitive bidding process.
14.	**Grid Interface-Open Access**	• On allotment of a project, the IPP will approach the appropriate utility for grant of open access, who shall analyze the system availability and grant open access, duly identifying the interconnection point, infrastructure required upto the interconnection point, specifications, evacuation voltage, etc. • The IPP shall be responsible for developing the necessary infrastructure to facilitate the connectivity/synchronization with the Grid.
15.	**Dispatch**	Priority will be accorded to the IPPs for dispatch into the grid ahead of merit order and any other source of supply, subject to any system constraints/grid disturbances or restrictions imposed by the State Government in the interest of the State.
16.	**Open Access Charges**	• For supply of committed power i.e free power plus power procured by State in grid connected or isolated mode, the available transmission /distribution networks of the State's Transmission/Distribution Utilities shall be utilized and IPP will not be required to pay any wheeling/transmission charges. • For supply of balance power (other than committed power to J&K), the State Transmission/Distribution networks of transmission/distribution Utility, can be utilized for which open access charges shall be borne by the IPP as per JKSERC regulations. T&D losses will also be borne by the IPP, as per JKSERC regulations. • The T&D losses for intrastate wheeling/transmission shall be as per the JKSERC regulations for State Transmission Utility/State Distribution utility network and for wheeling/ transmitting beyond STU on CTU network, it shall be as per CERC regulations.

17.	**Incentives**	• No entry tax will be levied by the State Government on power generation, transmission equipment and building material and construction equipment for Power projects awarded under this policy. • Exemption from Income tax on account of income accruing from microhydel power projects shall be governed as per the Government of India policy in vogue. • Sharing of the CDM benefits between IPP and JKSPDCL will be as per CERC/SERC regulations. • Projects awarded under this policy shall be exempted from water usage charges imposed under the “J&K Water Resource Regulation and Management Act 2010” for the first 10 years of operation reckoned from Scheduled Commercial Operation Date.
18.	**Regulatory Oversight**	Aspects of this policy that require regulatory approvals from the concerned Regulator/prescribed authority would be subject to such approvals being given and would apply in the manner so approved.
19.	**Due Diligence**	The applicant /IPP shall be responsible for carrying out due diligence with regard to his compliance responsibilities under various applicable Central/State/other laws, rules and regulations and ensure compliance with the same.
20.	**Initiative for Kiru & Kwar Projects**	• Deferred free power • Exempted Water Cess • Exemptions from local taxes.

Jammu & Kashmir
Policy for Development of Micro/Mini Hydro Power Projects-2011

Sl. No.	Description	Summary
1.	**Objective**	The main objective of this policy is to attract investors for the development of the state's water resources in an environment friendly manner to provide a solution to the energy problems in remote and hilly areas where extension of grid system is un-economical or un-viable. This will also help in generating revenue for the state and provide employment avenues, in addition to the all round development of the region.
2.	**Projects Capacity**	Upto 2MW.
3.	**Eligibility**	1. Jammu & Kashmir Energy Development Agency, science & Technology Deptt. shall invite any agency to bid for identified projects for the development of this sector. These will be termed as Independent power Producers (IPP). These would include any of the private sector entities, central power utilities, state governments or any other government entities and their joint ventures. 2. The Projects shall be reserved for execution by IPPs that are permanent residents of State of Jammu and Kashmir.
3.	**Processing Fee**	1. The applications shall be accompanied with a non-refundable Demand Draft of Rs. 5,000/- as processing fees. 2. The minimum threshold premium will be Rs.50,000 per MW for projects upto 1 MW and Rs.1.00 lacs per MW for projects above 1 Mw. 3. The project shall be allotted to the bidder making the highest bid.
4.	**Evaluation / Pre-qualification Criteria**	Pre qualification of bidders will be based on Financial mobilize the required resources with experience in developing, and operating Hydel Projects getting additional weightage.
5.	**Self identification of projects**	1. Self identification of sites shall be fully permissible. 2. In case of self-identified projects, Swiss challenge method shall be adopted with the first right of refusal given to the party which has identified the project.
6.	**Power Purchase**	The IPP shall, after availing for the royalty in the form of free power to the tune of 12 % be free to sell the power to the state. For sale of power to any third party within or outside the state, the IPP shall be required to pay the open access charges, T&D losses as per the regulations of the regulator.
7.	**Wheeling and Banking of the Power**	**1. Open Access:** On allotment of a project, the IPP will approach the appropriate utility for grant of open access, who shall analyze the system availability and grant open access, duly identifying the interconnection point, infrastructure required upto the interconnection point, specifications, evacuation voltage, etc. **2. Dispatch:** Priority will be accorded to the Ipps for dispatch into the grid ahead of merit order and any other source of supply, subject to any system constraints/grid disturbances or restrictions imposed by the State Government in the interests of the State. **3. Open Access Charges:** a) The infrastructural facilities of TU, as available, will be provided to IPPs

		for wheeling and transmitting the generated energy. b) For supply of balance power (other than committed power to J&K), the State Transmission/Distribution networks of transmission/distribution utility, can be utilized for which open access charges shall be borne by the Ipp as per JKSERC regulations. **c)** The T&D losses for intrastate wheeling/transmission shall be as per the JKSERC regulations for state Transmission utility/ state Distribution utility network and for wheeling/ transmission beyond sTu on cTu network, it shall be as per CERC regulations.
8.	**Entry Tax**	No entry tax will be levied by the state Govt. on power generation/transmission equipment and building material used for MHps.
9.	**Land**	The Govt. land if required, for Power Projects shall be allotted on lease for 40 years @ premium of Rs. 1 per sq. m. However, in case of non availability of Govt. land, the land required shall be acquired by Science & Technology/ JAKEDA/ LREDA/ KREDA and leased out to the IPP.
10.	**Stamp Duty**	Exempted
11.	**Court Fee**	Exemption from court fee for registration of documents relating to lease of land will be granted to the IPPs.
12.	**Subsidy**	1. 3% interest subsidy shall be payable on the working capital facilities available from the commercial banks to IPPs for a period of 5 years initially from the date of allotment and to be reviewed after 5 years. 2. 10% subsidy on capital investment subject to the ceiling of Rs.60.00 lakhs shall be given in addition to the central subsidy for the power projects from 1 MW to 2MW after successful installation & commissioning of the project.
13.	**Royalty**	Royalty @ 12% shall be charged after the period of 10 years from the date of commissioning of the Hydel projects up to 2Mw capacity.
14.	**Water Charges**	The projects awarded under this policy shall be exempted "water user charges" for a period of 10 years from the commercial Date (COD).
15.	**Schedule of Implementation**	1. Statutory clearance shall be obtained by IPP within 18 months allotment. 2. The Project shall be completed and made operational within a period of 36 months after receiving all statutory clearances.
16.	**Benefits to the State**	1. The state shall avail free power @12%of generation as royalty. 2. IPP shall deposit upfront premium with minimum threshold slab of Rs.50,000 per MW for projects upto 1 Mw and Rs.l.00 lac per MW for projects above I MWs to the Nodal Agencies within one month from the date of allotment of the site.
17.	**Nodal Agency**	Jammu & Kashmir Energy Development Agency (JAKEDA) will be the Nodal Agency

Jharkhand Power Policy (Draft), 2018

Sl. No.	Description	Summary
1..	**Improving generation capacity**	1. The state may have a peak deficit of power to the extent of 194 MW in FY 2017-18, which may increase due to delay in commissioning of ongoing projects and no addition to the State's own generation capacity since 1997. 2. Promotion of new and renewable energy sources - Sourcing power from wind and solar energy through SECI and other agencies.
2.	**Objective**	1. Jharkhand Power Policy, 2018 is structured keeping customers as the focal point & aims at making available the people of state reliable supply of power at affordable prices with improved security and independence, greater sustainability and economic growth. 2. Encouraging the use of renewable energy in the state with focus on decentralized generation of power using renewable energy. 3. Achieving a target of 15% AT&C losses. 4. Ensure 100% metering of all customers and implementation of smart meters/ prepaid meters.
3.	**Transmission**	1. With the increasing share of renewable energy, the transmission system needs to be carefully developed and the load dispatch function needs to be strengthened. Since renewable sources of energy are intermittent in nature, a lot of changes are required in grid design, technology and its operation. 2. Implementation of SAMAST (Scheduling, Accounting, Metering, and Settlement Transaction in Electricity) System to provide for robust, scalable and dispute free scheduling, metering, accounting and settlement system.
4.	**Tariff Reforms**	1. The tariff should be rationalized over an extended period of 5 years to palliate tariff hikes and for a smooth transition. 2. Two-part tariffs with demand and energy charges for recovering fixed and variable costs respectively, should be implemented for all tariff categories. 3. As Smart meters gets progressively installed across customer categories, Time of Day (ToD) tariffs may be introduced in categories other than HT, as they reflect the time varying costs in tariffs for demand management. 4. As Smart meters gets progressively installed across customer categories, Time of Day (ToD) tariffs may be introduced in categories other than HT, as they reflect the time varying costs in tariffs for demand management.
5.	**Rural Electrification**	**Enhance off-grid coverage:** Solar PV and solar standalone system electrification through micro-grids to help setting up DDG (Decentralized distributed generation) in remote areas
6.	**Renewable Energy**	1. In order to promote rooftop solar power plants in the state, separate Solar Rooftop Policy is also notified. 2. Biomass projects to be promoted by utilizing agriculture residues and animal waste. A comprehensive bio-energy policy shall be notified separately for effective utilization of biomass and promotion of biomass based energy. 3. Mini, Micro and Small Hydropower projects (up to 25 MW) will be encouraged. New sites for implementation of Mini, Micro and Small Hydropower projects will be explored with minimum submergence. 4. Government intends to provide land from the Land Bank for setting up of Solar Power Generation Projects at suitable locations based on availability. 5. A power plant generating power from renewable sources, with commercial operation after the effective date of implementation of this policy, shall be deemed to be a new industrial unit and will be entitled to all the incentives

		under this policy. These plants will be liable to pay only 50% of the electricity duty for a period of 10 years.
7.	**Policy for Waste to Energy**	1. Facilitation in allotment of land to the developers near the landfill sites or any other suitable land after consultation with concerned urban local bodies, municipalities etc. 2. The project shall be provided 100% waiver on the stamp duty charges for development of project. 3. Municipal Solid waste shall be provided to the developer at incentivised rate. 4. The developer for a project shall be selected based on competitive bidding based on lowest tariff quoted per unit of electricity to be generated. 5. The project developer may use power for self-consumption, or sell power to third party or other obligated entities for meeting their RPO.
8.	**Policy for Biomass/Bagasse based Power Generation**	1. Any Industry, Institution, Private Agency, Partnership Firm, Consortia, Panchayat Raj Institutions, Urban Local Bodies, Co-Operative or Registered Society shall be eligible for establishing a biomass based power project. 2. In case Government owned land is required for the project, the same shall be made available to the developer on priority. Else if private land is required, then the developer shall take necessary steps to acquire the land. 3. The project shall be provided 100% waiver on the stamp duty charges for development of project. 4. The developer may use the power themselves as captive plants or sell to a third party under open access. 5. For transmission of electricity from the plant, necessary wheeling charges or transmission charges, shall be applicable as per the relevant orders from JSERC. 6. The generation of electricity shall be exempted from payment of electricity duty. 7. Such projects shall be exempted from Stamp Duty applicable for registration of property.
9.	**Energy Efficiency, Energy Conservation and Demand Side Management**	1. State Government shall facilitate replacement of 100% incandescent and CFL bulbs with LED bulbs under central and state schemes by FY 2022-23. 2. Government of Jharkhand would initiate measures through specific goals to improve efficiency of major energy consuming sectors such as: a) Efficiency Improvement program for AC, pump, and fans b) Revision of AC standards c) Introduction of Electric Vehicles d) National buildings program for residential and commercial buildings e) Expansion of the Perform Achieve Trade (PAT) program and adoption of Best Available Technologies (BAT) to reduce the industrial energy consumption.
10.	**Power for Agriculture**	1. Free electric connections will be provided to farmers for agriculture purpose including tube wells and procession of agriculture produce including chaff cutter, thresher, cane crusher and rice hauler operated on farms. 2. At places where grid connectivity is not available, other option like providing power supply through renewable sources of energy such as Solar Power Plant/ Biomass co-generation would be implemented. 3. The Government of India is in the process of formulating 'Kisan Urja Suraksha evam Utthaan Mahabhiyan" (KUSUM) scheme which provides for installation of grid-connected solar power plants in the rural areas, installation of standalone off-- grid solar water pumps, solarization of existing grid-connected agriculture pumps and also enable agricultural consumers to sell surplus solar power generated to DISCOM and get additional income; and solarization of tube-wells and lift irrigation projects of Government

		sector.
11.	**Power for Industries**	Information Technology, Bio-technology and Tourism related activities (existing or new) which are treated as industrial activity will be entitled to have power at industrial or commercial rate of tariff, whichever is lower, subject to JSERC approval.
12.	**Captive Power Plant for Industries**	1. New or existing industrial units setting up captive power plant shall be exempted from the payment of 100% of electricity duty for a period of five years for self -consumption or captive use (i.e. in respect of power being used by the plant) from the date of its commissioning. 2. In order to encourage Captive Power Generation in IT-ITES locations, 40% of the capital expenditure incurred in soundless captive power generating sets will be reimbursed.
13.	**New Technologies**	1. Smart Grid and Mini Grid needs to be rolled-out in the state so as to provide an efficient electricity distribution system, which also supports Renewable Energy. Appropriate technology solutions may be needed if Renewable Energy has to drive the penetration of electric vehicles and acting as a storage device in future. Suitable application of time-of-the-day tariff mechanisms will be applied to encourage EVs to store-up renewable energy when it is available in excess of demand. 2. Renewable Energy Management Centres (REMCs) shall be set up in future to address issues arising out of variable renewable energy.
14.	**Consumer satisfaction**	1. State Government is focused to improve customer service and enhance customer satisfaction levels. It is keen to work with the regulator on developing a robust Supply Code and Standards of performance. 2. Customer complaints needs to be redressed on a time bound manner. Utilities should deploy technological solutions to track status of complaints of all category of consumers viz - agriculture, industry, domestic and others. 3. Facilities like online new supply connection application, online bill payments, self-billing system in urban areas will be implemented for all consumers. 24x7 customer care centres to be made operational by utilities for speedy redressal of consumers grievances
15.	**Human Resource Development**	Specialized training needs to be imparted to adopt to new technology intervention such as Information Technology, SCADA, Smart Grid, AMI ,Renewable energy, Equipment testing and Maintenance practices including general and financial management to increase efficiency and adaptability to changing environment and to ensure safety and security of personnel.
16.	**Scope of Policy**	The provisions of this policy would be valid and applicable to all the stakeholders of Jharkhand Power Sector. In case of any deviation, the prevailing National Electricity Policy, shall supersede over Jharkhand Power Policy 2018.
17.	**Period of Validity**	This Power Policy would be valid for five years w.e.f. date of notification of the policy and can be extended further by Government Order.

Draft Karnataka Renewable Energy Policy 2016-2022 (Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, and Tidal)

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Nodal Agency</td><td>Karnataka Renewable Energy Development Limited (KREDL)</td></tr>
<tr><td>2.</td><td>Operative Period</td><td>6-Years</td></tr>
<tr><td>3.</td><td>Objectives</td><td>1. Achieve a minimum capacity addition of 6,000 MW by 2022 in a phased manner,
2. Translate Karnataka into an investor friendly State in implementing projects for all forms of renewable energy viz. Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, and Tidal.
3. Promote intra-state open access based business models viz. captive models and third party models through wheeling and banking facilities as per KERC guidelines.
4. Introduce inter-state open access based business models viz. captive models and third party models through wheeling and banking facilities as per KERC guidelines.
5. Promote new programs for development of Renewable Energy</td></tr>
<tr><td>4.</td><td>Capacity addition targets for Renewable Energy</td><td>GoK intends to realize a minimum capacity addition of 6,600 MW during the policy period in a phased manner from various technologies. The proposed year-wise capacity addition targets are as given below:
<table>
<tr><th>RE Source</th><th>2016-17</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th><th>2021-22</th><th>Total</th></tr>
<tr><td>Wind Power</td><td>600</td><td>650</td><td>700</td><td>750</td><td>800</td><td>906</td><td>4,400</td></tr>
<tr><td>Small Hydro</td><td>150</td><td>150</td><td>150</td><td>175</td><td>175</td><td>200</td><td>1,000</td></tr>
<tr><td>Biomass, Cogeneration, and Waste-to-Energy</td><td>100</td><td>100</td><td>100</td><td>100</td><td>100</td><td>100</td><td>600</td></tr>
<tr><td>Total</td><td>850</td><td>900</td><td>950</td><td>1025</td><td>1,075</td><td>1,200</td><td>6,000</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Eligibility</td><td>All Wind, Wind-Solar Hybrid, Small Hydro, Biomass, Cogeneration, Waste-to-Energy, Tidal projects established in the State of Karnataka during the Operative period shall be eligible for benefits under this policy.</td></tr>
<tr><td>6.</td><td>RPO (Renewable Purchase Obligation) Target</td><td>The Non-solar RPO set for this policy is mentioned below:
<table>
<tr><th>Particulars</th><th>2016-17</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>2020-21</th><th>2021-22</th></tr>
<tr><td>Non-solar</td><td>15%</td><td>16%</td><td>17%</td><td>18%</td><td>19%</td><td>20%</td></tr>
</table></td></tr>
<tr><td>7.</td><td>Security Deposit</td><td>1. The Developer shall provide Security Deposit in the form of Bank Guarantee @ INR 1 Lakh per MW or as per the prevailing notification by GoK.
2. In order to encourage the Developer, the Security Deposit clause is waived-off for the projects related to Biomass, Waste-to-Energy, Cogeneration, Tidal and western ghat MHS projects until further notification by GoK.</td></tr>
<tr><td>8.</td><td>Wheeling & Banking Agreement</td><td>The wheeling of electricity generated from the renewable sources mentioned in this policy, to the desired location(s) within the State and banking of such energy, shall be allowed on such terms and on payment of relevant charges as determined by KERC from time to time.</td></tr>
<tr><td>9.</td><td>Land</td><td>1. If the required land is private land, the Developer shall acquire the same directly from land owners by any mode of transfer. If it is on lease, the minimum period of</td></tr>
</table>

		lease shall be thirty (30) years. 2. If the required land belongs to Government, the Developer shall approach concerned Department. 3. In case, the land belongs to Forest Department, Forest Department should issue facilitation letter as per the standard draft approved by MOEF, GoI, New Delhi vide letter No: F. No: 11-113/2008 FC dated 30.12.2008 and subsequent orders. 4. Shifting/ Change of locations for allotted Wind/ Wind-Solar Hybrid/ Small Hydro/Biomass/Cogeneration/Waste-to-Energy/. Tidal Projects is not permitted.
10.	**Metering of Electricity**	1. The metering will be done as per Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and amendments issued from time to time. 2. The electricity generated from the projects, shall be metered and readings taken jointly by Power Project Developer with KPTCL/ESCOMs at the metering point, on a monthly basis.
11.	**Reactive Power Charges**	The drawl of reactive power shall be charged as per the KERC order, as amended from time to time.
12.	**Government of India incentives**	MNRE, Government of India (GoI) provides a package of fiscal and financial incentives which include concessions such as Central Financial Assistance, concessional custom duty on specified items, excise duty exemption, sales tax exemption, tax holidays etc. The same shall be extended to the project Developers.
13.	**Time Extension**	1. Time extension may be recommended by KREDL to GoK if and only if the delays are due to reasons beyond the control of the Developer. 2. In such cases, KREDL may recommend GoK to allow a one-time extension along with the payment of prescribed fee, as notified by GoK from time to time. 3. In addition to the above, GoK may provide further time extension (if required) considering the progress and quantum of investment into account. Such a time extension shall be made on submission of INR 1 lakhs per MW as an extension fee per annum on a pro-rata basis, as to be notified by GoK from time to time. Also, the Developer shall deposit additional Bank Guarantee at the rate of INR 10 lakhs per MW for the un-commissioned capacity and the validity of such Bank Guarantee shall be as notified by GoK.
14.	**Additional focus areas for the Government include**	1. **Encouraging repowering of wind projects:** a) Wind projects installed at wind rich sites prior to 2002-03 shall be taken up in the first phase (2016-18) of the repowering program. In the second phase (beyond 2018), projects developed after 2002-03 shall be considered for repowering. b) GoK will encourage the land owners to develop wind power projects in their own land. 2. **Biomass, Bagasse based cogeneration Projects:** GoK considers setting up "Biomass Parks" in rural areas of the State, dedicated for supply of biomass fuel to designated biomass power projects. 3. **Grid management** GoK intends to set up pumped storage based hydro power plant projects in Karnataka to be implemented by the concerned departments for grid management considering the extent of renewable energy penetration in the grid.
15.	**Policy initiatives under consideration of GoK to promote renewable power projects.**	**Akshaya Shaktfai Nidhi (Green Energy Fund):** a) In order to facilitate Renewable Energy project financing and Energy Conservation and Efficiency measures Green Energy Fund "Akshaya Shakthi Nidhi" will be taken up in this policy period. b) "Green Energy Cess" of INR 0.05 (five paise) per unit would be levied on the electricity supplied to commercial and industrial consumers. 10 % of this fund will be set apart as contribution to Energy Conservation Fund for

		Energy Conservation activities. c) Time bound clearance for evacuation approval from KPTCL. Reduction of supervision charges by KPTCL /ESCOMs to five percent (5%). d) Any allotments which failed to show any progress or intent in developing the projects within seven (7) years from the date of announcement of the policy shall deemed to be cancelled. e) All projects allotted ten (10) years before the announcement of this policy and have failed to show any satisfactory progress, their allotments shall be deemed as cancelled.
16.	**Promotion of Wind-Solar Hybrid projects and Distributed Generation projects**	1. In order to optimally utilize the land resources and evacuation infrastructure, the GoK will encourage the development of Wind-Solar Hybrid projects in the State. 2. GoK also intends to promote small scale hybrids particularly in remote villages in the State where the grid is in accessible.
17.	**Fiscal Incentives from GoK to promote Renewable projects.**	1. Projects implemented under this policy shall receive the status of industry and shall be eligible for all the incentives provided under "Karnataka Industrial Policy 2014" of State government as amended from time to time. 2. Tax concessions in respect of entry tax, stamp duty and registration charges shall be as per Karnataka Industrial Policy as amended by GoK from time to time.

Draft Karnataka Renewable Energy Policy 2014-2020 (Wind, Small Hydro, Biomass, Cogeneration and MSW)

<table>
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<tr><td>1.</td><td>Nodal Agency</td><td>Karnataka Renewable Energy Development Limited (KREDL)</td></tr>
<tr><td>2.</td><td>Operative Period</td><td>6- Years</td></tr>
<tr><td>3.</td><td>Objectives</td><td>1. Achieve a minimum capacity addition 3600 MW by 2020 in a phased manner.
2. Provision of “single window” for clearances, approvals and technical consultation
3. To translate Karnataka in to an investor friendly State.
4. Encourage decentralized generation & distribution of energy where grid is inaccessible.
5. Promote R&D and innovations, skill development in the sector.
6. Take up pilots and demonstration projects to establish cost effectiveness, viability and reliability of various technologies like Waste-to-Energy, Hybrid technology projects etc.</td></tr>
<tr><td>4.</td><td>Capacity addition targets</td><td>The proposed year-wise targets are as given below:
<table>
<tr><th>RE Source</th><th>2014-15</th><th>2015-16</th><th>2016-17</th><th>2017-18</th><th>2018-19</th><th>2019-20</th><th>Total</th></tr>
<tr><td>Wind Power</td><td>350</td><td>400</td><td>425</td><td>450</td><td>475</td><td>500</td><td>2600</td></tr>
<tr><td>Mini, Micro & Small Hydro</td><td>50</td><td>100</td><td>100</td><td>100</td><td>125</td><td>125</td><td>600</td></tr>
<tr><td>Biomass, Cogeneration and MSW</td><td>35</td><td>65</td><td>75</td><td>75</td><td>75</td><td>75</td><td>400</td></tr>
<tr><td>Total</td><td>435</td><td>565</td><td>600</td><td>625</td><td>675</td><td>700</td><td>3600</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Eligibility</td><td>All Wind, Small Hydro, Biomass, Cogeneration and Municipal Solid Waste Management projects established in the State of Karnataka during the Operative period shall be eligible for benefits under this policy.</td></tr>
<tr><td>6.</td><td>Procedure for Application and Allotment</td><td>The net worth of the company shall be at least 30% of the total project cost and the format should be as per Government order No: EN 240 NCE 2011 dated 30-05-2011 or as amended by the GoK from time to time.
1. Wind
If the Allotment Committee approves the proposal, a facilitation letter valid for a period of 2 years will be issued by the Government to the developer to study the wind potential, preparation & submission of the Detailed Project Report.
2. Small Hydro
A Pre-Feasibility Report/Detailed Project Report as applicable containing the preliminary details required for the implementation of the project shall be furnished along with the Application.
3. Biomass, Cogen and MSW
Applications in respect of MSW Projects will be considered only after allotment of Municipal Solid Waste from the concerned local bodies, details of waste storage shall be furnished along with the initial consent from Pollution Control Board.</td></tr>
<tr><td>7.</td><td>Timelines for Implementation</td><td>Total time period required for implementation of the project is 5 years 6 months from the date of issue of Allotment GO.</td></tr>
</table>

	Wind Power Projects	Stage 1: Two years for data collection and submission of DPR with enhancement if any. Stage 2: One year three months for obtaining all statutory clearances. Stage 3: Three months for technical clearance. Stage 4: Two years for completion and commissioning of the project.
8.	**Timelines for Implementation Small Hydro Power Projects**	Total time period required for implementation of the project is 5 years from the date of issue of Allotment GO. Stage 1: One year forpreparation and submission of DPR with enhancement if any. Stage 2: One year for obtaining all statutory clearances. Stage 3: Three months for technical clearance. Stage 4: Two years nine months for completion and commissioning of the project.
9.	**Timelines for Implementation Biomass, Cogeneration and MSW Projects**	After issuance of NOC total time period for implementation of the project is 24 months.
10.	**Security Deposit or Performance Guarantee**	1. The Developer shall provide Security Deposit in the form of Bank Guarantee @ Rs 1 Lakh per MW or as per the prevailing Government order payable to KREDL based on allotted capacity within 45 days of Allotment GO or before the signing of agreement, whichever is earlier. 2. In order to encourage Biomass and MSW projects, the performance guarantee clause is waived off as in Co-gen Power Projects.
11.	**Time Extension**	Time extension may be recommended by the Nodal Agency to the Government if and only if the delays are due to reasons beyond the Developer's control.
12.	**Wheeling & Banking Agreement**	The wheeling of electricity generated from the renewable sources mentioned in this policy, to the desired location(s) within the State and banking of such energy, shall be allowed on such terms and on payment of relevant charges as determined by KERC from time to time.
13.	**Land**	1. If the required land is private land, Developer has to acquire the same directly from land owners by any mode of transfer. If it is on lease, the minimum period of lease shall be 30 years. 2. If the required land belongs to Government, the Developer shall approach concerned Department, i.e., Revenue/Forest or irrigation Department, as the case may be for obtaining the land on lease basis in favour of the company, as per the circular No: RD 78 LPG 2009 dated 4.1.2011 and subsequent orders of Revenue Department.
14.	**Metering of Electricity**	The metering will be done as per Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and amendments issued from time to time.
15.	**Reactive Power Charges**	The drawl of reactive power shall be charged as per the KERC order, as amended from time to time.
16.	**Government of India incentives**	MNRE, Govt. of India provides a package of fiscal and financial incentives which include concessions such as Central Financial Assistance, concessional custom duty on specified items, excise duty exemption, sales tax exemption, tax holidays etc. The same shall be extended to the project developers.
17.	**Additional focus areas for the Government include**	1. **Encouraging repowering of wind projects:** Projects commissioned with lower capacity Wind Turbines are eligible for repowering under this policy. The excess capacity can be considered to get the benefits at the prevailing tariff. 2. **Biomass, Bagasse based cogeneration Projects:** GoK considers setting up "Biomass Parks" in rural areas of the State, dedicated for supply of biomass fuel to designated biomass power projects.

18.	**Policy initiatives under consideration of GoK to promote renewable power projects**	**Akshaya Shakthi Nidhi (Green Energy Fund):** a) In order to facilitate Renewable Energy project financing and Energy Conservation and Efficiency measures Green Energy Fund "Akshaya Shakthi Nidhi" will be taken up in this policy period. b) "Green Energy Cess" of Rs 0.05 (five paise) per unit would be levied on the electricity supplied to commercial and industrial consumers. 10 % of this fund will be set apart as contribution to Energy Conservation Fund for Energy Conservation activities. The balance will be set apart for Renewable Energy project financing. c) The funds may also be utilized for land acquisition and land development activity for Renewable Energy projects including compensatory afforestation, soil moisture conservation etc. for forest land clearance.
19.	**Land**	1. GoK contemplates to facilitate deemed conversion of land for projects by amending section 95 of Land Revenue ACT 1964. 2. A separate dedicated cell with staff drawn from revenue department shall be created to ensure creation of Government land banks for development of renewable energy projects on lease basis including formulation of modalities, fees, etc.
20.	**Allotments and Clearances**	1. Time bound clearance for evacuation approval from KPTCL. Reduction of supervision charges by KPTCL /ESCOMs to 5%. 2. Any allotments which failed to show any progress or intent in developing the projects within 6 years from the date of announcement of the policy shall deemed to be cancelled. 3. All projects allotted 10 years before the announcement of this policy and have failed to show any satisfactory progress, their allotments shall be deemed as cancelled.
21.	**Hybrid and Distributed Generation projects**	1. The GoK encourages large scale grid connected projects that can benefit from existing project infrastructure. In this regard "wind with solar hybrid projects" or "biomass with solar hybrid projects" shall be promoted through this policy. 2. GoK recognizes supporting setting up of upto 2 MW biomass or MSW power project, as smaller plant capacities face no difficulties in sourcing (including transportation, storage and fuel security) and would be ideal for decentralized power production. The target under the category is 25 MW during the Operative Period of the policy.
22.	**Biomass, Waste to Energy and Storage**	The Centre for Sustainable Technologies (CST), Indian Institute of Science (IISc) has been working in the area of R&D for biomass, waste to energy and storage of energy.
23.	**Fiscal Incentives from GoK to promote Renewable projects**	1. Tax concessions in respect of entry tax, stamp duty and registration charges shall be as per Karnataka Industrial Policy as amended by GoK from time to time. 2. No green energy cess is applicable on the power procured from renewable energy power projects in the State.
24.	**General Conditions**	1. If the developers fail to commission at least 50% of the allotted capacity within the stipulated time period, no further allotment shall be entertained. 2. The enhancement of capacity shall be limited to 3 times the original capacity. 3. Any capacity surrendered or cancelled shall be re-allotted on a first cum first serve basis.

Kerala Renewable Energy Policy, 2002, Dated: 03.04.2002

Sl. No.	Description	Summary
1.	**Nodal Agency**	ANERT (Agency for Non-Conventional Energy and rural Technology)
2.	**Objectives**	1. Development, propagation and promotion of Non-conventional Energy sources. 2. Exploitation of Natural resources to avail cheaper power. 3. Acceleration of identification, development and implementation of new projects with the long-term objective of substituting all non-renewable sources. 4. Development of Eco-friendly Projects. 5. Provision of “single window” service for technical consultation, sources of finance and project clearance. 6. Decentralised and microlevel power generation through renewable energy sources to reduce expenditure on transmission lines and transmission and distribution losses. 7. Self-sufficiency in Power in the near future. 8. Creation of suitable environment for private participation in Power Generation sectors. 9. Publicity of Renewable Energy through various media.
3.	**Eligibility**	1. All power producers generating grid-grade electricity (quality of power produced should be equal or above the quality of power in the grid) including power producers from ‘stand alone projects’ using Non-conventional Energy Sources are 'eligible producers’ under the policy. 2. In the case of small hydro projects, only power producers having installed station capacity of and below 25 MW will be treated as eligible producer. 3. Power producers generating electricity for captive consumption shall also be treated as eligible producers. 4. There shall be no restriction on legal structure of entrepreneur in generation of power.
4.	**Grid Interfacing**	1. Interfacing, including transformers, panels, kiosk protection, metering, HT lines from points of generation to the nearest HT line etc. as well as their maintenance will be undertaken by the producer as per the specifications and requirements of KSEB, for which the eligible producer will bear the entire cost. 2. KSEB will undertake the augmentation of transmission lines and laying of new lines if required. 3. The eligible producer at his cost will install meters to measure the outflow and inflow of energy based on KSEB instructions.
5.	**Tariff**	1. Power generated through Renewable Energy Sources, if purchased by KSEB, will be at a ceiling rate of Rs.2.50 per unit for power from small hydel power plants. 2. For power from all other renewable energy sources, price will be at a ceiling rate of Rs.2.80 per unit, with base year fixed as 2000-01 and with 5% escalation for every year upto 5 years of operation.

		3. There after the rate shall be mutually settled between KSEB and the eligible producer, in all cases of Renewable Energy sources including SHP.
6.	**Banking**	1. 100% banking is allowed for the period from June to February for every financial year. From March to June, the producers can bank power with KSEB. 2. If the banked energy is not utilised at the end of the year, it will be lapsed and if this is sold to KSEB, the same will be purchased by KSEB at the average selling rate of KSEB applicable during the corresponding year.
7.	**Wheeling**	KSEB will undertake to transmit on its grid the power generated by eligible producer and make it available to him for captive use or for banking, at a uniform wheeling charge of 5 per cent of energy fed into the grid, which includes compensation for transmission loss also, irrespective of the distance from the generating station.
8.	**Evacuation Arrangement**	1. KSEB shall initially bear the expenditure for erection of high-tension sub stations and transmission infrastructure. 2. Developers shall bear the cost of transmission lines from the sub station to the project and all other related equipment such as metering arrangement and protection system, capacitor banks etc.
9.	**Settlements on Monthly Basis**	All transactions between KSEB and eligible producer involving wheeling, banking or sale of power will be settled on a monthly basis.
10.	**Power Purchase Agreement**	KSEB and eligible producers under this policy, intending to sell power to KSEB/ to wheel/ to bank will enter into a Power Purchase Agreement (PPA) for a minimum period of five years.
11.	**Security Package**	KSEB is to provide facilities of an irrevocable, divisible, revolving and confirmed stand by Letter of Credit by any Nationalised Bank. The amount of letter of credit is to be equal to the Expected Payment for one month by Board.
12.	**Industry Status**	All new projects producing power from Renewable Energy Sources is to be given industry status.
13.	**Entry Tax/ Octroi Refund**	Renewable Energy equipment and materials shall be exempted from Entry Tax/ Octroi.
14.	**Use of Energy Conservation Devices is Made Mandatory**	1. Fluorescent and Compact Fluorescent Lamps (CFL) are made mandatory in all new Hospitals, Hotels, Government Offices and offices of Public Sector Undertakings. In the case of existing same Undertakings, where incandescent lamps are used at present, the same should be replaced by Fluorescent and Compact Fluorescent Lamps of prescribed quality within a period of 2 years from the date this policy comes into force. 2. Solar Water Heating Systems are made mandatory in all Lodges and Hotels having 10 or more rooms and in hospitals with 20 beds or more. 3. Energy efficient devices such as, Improved Community Chulhas, gasifiers, etc. are made mandatory in all Hotels, Hostels and Schools with noon meal scheme and in all industries where firewood is used as a fuel.
15.	**Mandatory Captive Power Plants**	Large Industries having 2000 kVA and above as connected load, should produce at least 5 per cent of their requirement through captive power plants using Renewable Energy Sources.
16.	**Green Pricing**	Choice of Green Pricing is given to interested customers, who choose to pay extra for the energy generated from Renewable Energy Sources (Green Energy).

KERALA SMALL HYDRO POWER POLICY-2012

Dated: 03.10.2012

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Objective**	• The Vision under this Policy shall be to harness green and clean natural resource in the State for environmental benefits and energy security. • Enhance the contribution of Small Hydro Power Projects in the total installed capacity of the State from 145 MW to about 295 MW by 2017 through private participation.
3.	**Applicability**	This Policy will be applicable to all the Small Hydro Power Projects (capacity upto 25 MW) in the process of development as per the earlier allotments.
4.	**Proposed Targets for Small Hydro Generation for the period 2012-2017**	This Policy sets a goal of commissioning 150 MW additional capacity from Small Hydro Power Projects by 2017 through private participation.
5.	**Approvals for Small Hydro Power Projects**	• The Small Hydro Promotion Cell in the Energy Management Centre will be the secretariat for the processing of applications and monitoring of approved projects. • Small Hydro Power Projects below 25 MW will be assigned for development by Government to developers through competitive bidding. • LSGs will be generally given preference for development of Mini and Micro Projects upto 500 kW.
6.	**Methods of assigning Small Hydro Power Projects for development**	• Small Hydro Power Projects identified by the Government or State sponsored agencies such as KSEB, ANERT, Energy Management Centre etc. and not reserved for development by Kerala State Electricity Board shall be assigned to private developers as independent power projects or captive power project only through the competitive bidding route on Build Own Operate Transfer mode for 30 years from date of allotment. • Small Hydro Power Projects identified by private persons on their own land will be assigned to the owner of the land subject to payment of the upfront premium. • Small Hydro Power Projects will be assigned to the Local Body where the project is located without competitive bidding if there is unanimity among the three tiers of the Local Bodies regarding the assignment of the project. • Any failure to tap the available power potential as envisaged in the approved DPR is liable for penalization.
7.	**Statutory Clearances**	• Clearances for the Small Hydro Power Project shall be required from (a) Local Body where the project is located,(b) the Revenue Department in case the land involved is Government land, (c) the Forest Department in case forest land is involved, and (d) a No Objection Certificate from Irrigation Department. • Where the development of the Small Hydro Power Project requires land owned by other private individuals, it shall be the responsibility of the developer to accomplish purchase of such land. Such land is also to be transferred to the Government at the end of the BOOT period. • If 75% or more of the land required for the Small Hydro Project has been purchased by the developer, Government may assist the developer through action under the Land Acquisition Act.
8.	**Eligibility**	Any Company or body Corporate or association or body of individuals, whether incorporated or not, shall be eligible to apply for development of a Small Hydro Power Project through Private participation. In case of a Small Hydro Power Project being developed as a captive unit, any person who intends to setup a captive power plant for its own consumption within the State of Kerala shall be eligible to apply under Captive project.

9.	**Applicability of Water Cess to Small Hydro Power Projects**	As no permanent water extraction from water courses is envisaged in Small Hydro Power Projects, such projects shall not attract levy of water cess.
10.	**Evaluation parameters of Financial Capability (applicable for both IPP&CPP)**	• Net worth at the end of the latest financial year should be at least equal to 15% of the estimated cost of the project applied for. • The minimum threshold premium shall be Rs.15 Lakhs per MW. • Projects will be allotted to the bidder making highest bids. • There will not be any preference of CPP bidders over IPP bidders in the allotment of the Project. • Free transfer of shares will be permitted in the developer company as per the procedure laid down in the bid document after project implementation.
11.	**Sale of power generated by Small Hydro Power Projects**	• The State Transmission Utility / Kerala State Electricity Board shall have the first right of purchase the power generated by IPPs and surplus of power from CPPs at a tariff and other terms and conditions set forth by the Kerala State Electricity Regulatory Commission. • Kerala State Electricity Regulatory Commission may permit open access for sale of power outside Kerala.
12.	**Technical Clearance**	• Government will form a technical committee to recommend technical clearance of TEFR (Techno-Economic Feasibility Report) as well as to address all matters related with sanctioning of TEFR and quality control and monitoring of the implementation of the project by the Private developer. • The fees payable for scrutiny and approval of technical clearance will be as follows: ➢ For projects less than 1 MW developed by Private agencies in private land and Projects developed by Local Bodies - An application fee of Rs.10,000/- to give clearance for proceeding with the project and then Rs.50 per kW for scrutiny and approval of DPR and for technical clearance. ➢ For project of 1 MW or greater than 1 MW capacity identified and developed by private agencies - Technical scrutiny fee of Rs. 100 per kW will be charged subject to a minimum of Rs. 1 lakh. ➢ Separate fee will be chargeable for the technical services rendered by KSEB such as load flow studies, scrutiny of drawings, power potential study, relays and protection system etc.
13.	**Banking Facilities**	KSEB will permit banking facility during a financial year subject to availability of Grid and the rights for banking the energy with the KSEB and charges applicable for the same shall be determined by the regulation in force from time to time.
14.	**Milestones for development of Project by Private Developers**	• It is mandatory for the developer to complete the project in all respects and Commission the project with grid synchronization within a period of 60 months from the date of allotment. • The maximum grace period for submission of DPR will be 3 months if the developer submits valid reasons for the delay. • If the project is not commenced within 9 months after obtaining all clearances, the allotment shall be cancelled and forfeiture of Implementation guarantee. • The developer shall furnish a bank guarantee from a scheduled bank in favour of Government valid up to the date of commercial operation of the Small Hydro Power Project as a token of his earnestness in implementing the project.
15.	**Renewable Energy Obligation**	As per Kerala State Electricity Regulatory Commission
16.	**Feed in Tariff**	KSEB and other Distribution licensee may procure power from the Small Hydro Power Projects at the tariff fixed by the KSERC.
17.	**Transmission & Wheeling Charges of Electricity**	Wheeling charges as per the rate fixed by KSERC from time to time will be levied from the developer.
18.	**Metering**	• Necessary Main and Check meters having import–export registering facility and allied equipments as prescribed by KSEB shall be installed

		at the interconnection point at the cost of the developer. • All the meters will be under the custody of KSEB. Cost of installing and maintaining meters, CT, PT protective equipments etc. including their replacements / repair whenever necessary shall be borne by the developer.
19.	**Settlements**	• All transactions related to the procurement of power by KSEB/Distribution licenses from the Developer Company shall be settled on monthly basis. • Relief on Maximum Demand Charges: • KSEB will provide a relief in demand charges to HT/EHT captive consumers for continuously operating their captive power plant for a minimum of 15 days during a month limited to 50% of the value arrived. • During the period of power cut and /or other restrictions, if there is any cut and/or restriction in maximum demand, the quota of maximum demand for the company and their associates shall be worked out on the same principles as applicable to other consumers during such periods and the maximum demand quota from the KSEB grid allotted accordingly.
20.	**Government of India Incentives**	The various concession and incentives allowed by MNRE/Government of India for detailed survey & investigation /detailed project report preparation, generation based incentive etc. will continue to be passed on by the State Government to the developer through ANERT.
21.	**Safety Measures**	The developer shall be responsible for the quality, soundness, durability, safety and other project requirements notwithstanding the appointment by it of consultants/ contractor(s) to implement and /or operate and maintain the project facilities.
22.	**Development of appropriate standards and design for Small Hydro Power Projects**	Government will facilitate through its agencies as well as through approved consultants of the Ministry of New & Renewable Energy, such as the Alternate Hydro Energy Centre (AHEC) of IIT Roorkee, the development of appropriate standards and design for Small Hydro Power Projects and cost-effective designs to obtain power from such natural resources and by cluster-based development of sites with standardized Electro-mechanical equipments.
23.	**Environmental Issues**	The SHP developer has to make suitable financial provisions for mitigation of adverse impacts as per the approved environmental impact assessment plan.
24.	**Corporate Social Responsibility and Local Area Development**	Developers will be expected to adopt Corporate Social responsibility (CSR) in project implementation. They will be urged to provide funds to adopt local people to provide job-oriented training programmes available in the locality and to provide funds for furnishing government educational and other institutions.
25.	**Monitoring**	A high level inter-departmental review committee will be constituted to regularly monitor implementation of all provision of this policy.
26.	**Cancellation and takeover of assigned project**	• In case the developer leaves the project incomplete, or closes the industry or abandons the project, or violates any conditions of allotment, the Government reserves the right to take over the project without any compensation and free from encumbrances. • The Government will not have any liability to take over the employees engaged in the project by the developer. • In case, there is any subsisting liability the developer shall be personally liable for the same.
27.	**Other Conditions**	The Generating Company will not be compensated for the shortfall in revenue due to intervention by SLDC. In case of shutdown, no claim on account of loss of generation will be entertained.
28.	**Inspection by Dam Safety authorities**	The Dam Safety Authority may inspect the dam site of all commissioned projects and examine the operation and maintenance of the dam and other appurtenant structures and may suggest remedial measures to improve the general condition of the dams and other appurtenant structures from the point of view of safety.

Policy for Implementation of Small Hydel-Power based Electricity Projects in Madhya Pradesh, 2011, Dated: 03.11.2011

<table>
<tr><th>Sr. No.</th><th>Description</th><th colspan="3">Summary</th></tr>
<tr><td>1.</td><td>Applicability</td><td colspan="3">1. This policy shall be applicable to all the small hydel power projects (SHPs) up to 25 MW capacity which have been identified by the Water Resources Department, Narmada Valley Development Authority, Madhya Pradesh Power Generation Company, any other government agency or any private agency.
2. This policy shall also be applicable to all the projects which had been allotted by Madhya Pradesh Electricity Board (now Madhya Pradesh State Electricity Board) or Water Resources Department/Narmada Valley Development Authority for the development of small hydel power projects under incentive policy issued on 26-9-1994 or 8-8-2006 but are yet to attain the stage of commercial production.
3. These projects can be for Captive Power Projects or Independent Power Projects.</td></tr>
<tr><td>2.</td><td>Objectives</td><td colspan="3">1. To promote pollution free small hydel power generating projects with private sector participation.
2. To clearly define the incentives and benefits to be provided to the private sector participants.
3. To create favourable environment for promoting small hydel power generation.
4. To lay down rational framework for implementation of the policy.</td></tr>
<tr><td>3.</td><td>Operating Period</td><td colspan="3">1. All the projects allotted or to be allotted under this policy shall operate on Build, Own, Operate and Transfer (BOOT) basis.
2. The BOOT period shall begin from the Commercial operation date (COD) and shall be for 35 years or the life of the project, whichever is earlier. On completion of the BOOT period the entire project including its movable and immovable assets regarding water structures and power generation shall be transferred free of cost to the State Government.</td></tr>
<tr><td>4.</td><td>Category</td><td colspan="3">Category 1— Projects identified by the Government of Madhya Pradesh/Government undertakings.
Category 2— Projects identified by the developers.</td></tr>
<tr><td>5.</td><td>Participation</td><td colspan="3">1. Any individual/firm/society/organisation/registered company shall be eligible to apply for the development of the project.
2. Only that organisation/individual who is applying for the project development shall be eligible for allotment/implementation/operation of the project.
3. After project allocation, the same individual/organisation or its holding organisation in which it has 51 per cent or more equity shall be eligible for the implementation & thereafter operation of project for a period up to 5 years from commercial production.</td></tr>
<tr><td rowspan="3">6.</td><td rowspan="3">Minimum Free Electricity</td><td colspan="3">Selected developer has to provide the government free electricity to the government from the power generated by the project as per the table given below:</td></tr>
<tr><td>S. No.</td><td>Estimated installed capacity</td><td>Free electricity as percentage of actual power generation (excluding auxiliary consumption)</td></tr>
<tr><td>1.</td><td>Up to 5 Megawatts</td><td>5 % with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from commercial operation date (COD).</td></tr>
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<tr><td></td><td></td><td>2.</td><td>More than 5 Megawatts but up to 10 Megawatts</td><td>8 % with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from commercial operation date (COD).</td></tr>
<tr><td></td><td></td><td>3</td><td>More than 10 Megawatts but up to 25 Megawatts</td><td>10 % with exemption of a block of 2 years as preferred by developer during the first 7 years of operation from commercial operation date (COD).</td></tr>
<tr><td>7.</td><td>Performance Guarantee</td><td colspan="3">The performance guarantee shall be released after 3 months from the date of commercial operation of the project.</td></tr>
<tr><td>8.</td><td>Land Allotment</td><td colspan="3">1. If government land is available for the development of project then permission for land use shall be provided only for establishment of water carrier system, sub-station and power house construction necessary for hydel power plant.
2. Allotment of Government land: Department shall take the possession of land belonging to WRD/NVDA or other departments of State Government by obtaining no objection from the concerned department and thereafter the land use permission shall be provided to the developer.
3. In case of forest lands the guidelines issued by forest (Conservation) Act 1980 and rules made from time to time by ministry of environment and forest Government of India and State government shall apply.</td></tr>
<tr><td>9.</td><td>Grid Interfacing and Evacuation Arrangements</td><td colspan="3">Interfacing arrangements, including the transformer panels, protection, metering etc., from the point of view of generation to the nearest sub-station or an interconnection point shall be the responsibility of the developer, subject to fulfilment of technical and safety parameters in accordance with the Madhya Pradesh State Grid Code, Madhya Pradesh Electricity Supply Code, 2004, M.P. Electricity Regulatory Commission and Central Electricity Regulatory Commission regulations as amended from time to time.</td></tr>
<tr><td>10.</td><td>Transmission and Distribution</td><td colspan="3">1. The developer shall be free to construct his own dedicated transmission lines from the point of generation to consumption point. The developer shall also have the right of open access of existing transmission facilities of the State as per the provisions mentioned in the Electricity Act 2003.
2. In case the developer sells power to Third Party Consumers/ Licensee distributor/ Power Trading Company then it shall be bound for payment of wheeling and transmission charges to the MPPTCL/related Distribution Company, subject to the final decision taken by M.P. Electricity Regulatory Commission.</td></tr>
<tr><td>11.</td><td>Sale of Power</td><td colspan="3">The entire power generated in case of IPP and any surplus power generated in case of CPP can be sold to any consumer/willing distributor company or Power Trading Company based in M.P. state.</td></tr>
<tr><td>12.</td><td>Exclusive jurisdiction of M.P. Electricity Regulatory Commission (MPERC)</td><td colspan="3">MPERC shall have exclusive jurisdiction on those provisions of this Policy which are within its regulatory mandate for management of the Electricity Act, 2003, especially regarding notification of electricity tariffs for sale of power, power purchase agreements, wheeling, banking, distribution, transmission loss charges, etc.</td></tr>
<tr><td>13.</td><td>Surrender of the Project Allotment</td><td colspan="3">After execution of the agreement developer shall be free to surrender the project but in this case the performance guarantee shall be forfeited.</td></tr>
<tr><td>14.</td><td>Transfer of Project</td><td colspan="3">1. Developer shall not be allowed in any case to transfer the project to any one for a period of five years from the date of commercial production.
2. After the consent of Madhya Pradesh government and after the payment of prescribed fees for transfer developer shall transfer the work of the project to any other developer.</td></tr>
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15.	**Incentives**	1. The energy produced by small hydel power projects set up under this policy can be used for captive usage and for sale of power to Distribution Company, third party consumers within the State and Power Trading Company of the State. 2. In case of the power sales to third party MPPTCL or related State Distribution Company shall facilitate wheeling of power at the rates prescribed by MPERC. 3. Energy cess relaxation shall be available for the power supplied by small hydel power project for a period of 10 years from the effective date of this policy. 4. The provision of reduction in contract demand shall be applicable up to the limit of hydel power development agreement of the first 200 Megawatt projects. 5. No water rates shall be payable for water consumption by small hydel power projects. This exemption shall be applicable only when there is no consumptive use of the water.
16.	**Banking**	1. Banking of 100 % of energy in each financial year shall be permitted. 2. Developer shall have to pay 2.0 % of the banked energy as banking fees to the concerned State Distribution Company/State Power Trading Company. 3. Return of the banked energy shall be in accordance with the regulations issued by MPERC from time to time. 4. After returning the banked energy, if there is any balance energy left, at the end of financial year, then this may be purchased by the concerned State Distribution Company/State Power Trading Company as per the rules/directions of MPERC.
17.	**Electricity Payment**	The power consumed from the small hydel power projects for the purpose of captive use or third party sale shall be exempted from payment of Electricity Duty as per the provisions mentioned in notification No. 1475-XIII-2002, dated 1^{st} March 2002 and notification No. 4328-XIII-2006, dated 12^{th} July 2006.
18.	**CDM Benefits**	Carbon credits or any other similar incentives which are available for such small hydel power projects shall be made available to the developer as per the guidelines issued by MPERC from time to time.
19.	**Entry Tax**	All the equipments/plants/machineries brought into the state for use in the small hydel power projects shall be exempted from payment of Entry Tax. This exemption shall be effective for a period of five years from the date of signing of HPDA.
20.	**Other facilities**	1. On investing in small hydel power projects, the small hydel power project unit or such industrial unit which consume energy from small hydel power projects shall be eligible for availing assistance facility in commercial and related taxes under the provisions of Madhya Pradesh Investment Policy Assistance Scheme, 2010. Small hydel power project units have to provide the option regarding who shall get the benefits of relief in taxes right at the beginning of the project. 2. The cases related to address the difficulties in proper implementation of project and to resolve interdepartmental coordination issues shall be presented to the Project Clearance and Implementation Board (PCIB) constituted under the chairmanship of the Chief Secretary.

Policy for Grid-connected Power Projects based on New and Renewable (Non-conventional) Energy Sources – 2015, Maharashtra, Dated: 20.07.2015

Sl. No.	Description	Summary
1.	**Nodal agency**	Maharashtra Energy Development Agency (MEDA)
2.	**Target**	The following envisages setting up of grid-connected renewable power projects as per the following: a) 5000 MW of Wind Power Projects b) 1000 MW of Bagasse -based Co-generation Projects, c) 400 MW of Small Hydro Projects, d) 300 MW of Biomass-based Power Projects, e) 200 MW of Industrial Waste-based Power Projects f) 7500 MW of Solar Power Projects
3.	**Wind Power Projects**	1. In total 5000 MW Capacity, 1500 MW capacity would be developed for meeting the procurement requirement of distribution licencees under the Renewable Purchase Obligation (RPO) regime. 2. The wind power projects under this policy are exempted from obtaining NOC / consent from the Pollution Control Board. 3. The capacity of about 1350 MW commissioned after the expiry of previous policy would be included in the procurement target of 1500 MW. 4. Remaining 3500 MW capacity will be developed for captive/group captive use outside the state or for third party sale outside the state or for participating in the the Renewable Energy Certificate (REC) mechanism. The open access permission will be provided as per the regulation of the respective Electricity Regulatory Commission. 5. The supervision charges for setting up of evacuation arrangement will not be levied in wind power projects.
4.	**Bagasse / Agricultural Waste based Co-generation Power Projects**	1. After fulfilment of Renewable Purchase Obligation of the distribution licensee, the project developers will have the option of captive use or third party sale within or outside the state. The option of Renewable Energy Certificate mechanism will also be available. 2. The supervision charges for setting up of evacuation arrangement will not be applicable. 3. Electricity duty will not be levied for the first 10 years in respect of the bagasse / agricultural waste based co-generation power projects established under this policy for captive use. 4. The infrastructure clearance for the bagasse / agricultural waste based cogeneration power projects under this policy will be given by MEDA.
5.	**Small Hydro Power Projects**	1. After fulfilment of Renewable Purchase Obligation of the distribution licensee, the project developers will have the option of captive use or third party sale within or outside the state. The option of Renewable Energy Certificate mechanism will also be available. 2. The project developer will undertake, with own expenditure, the erection work of LV, HV and EHV sub-stations as well as laying of transmission and distribution lines required for the project in line with the technical specifications and estimates approved by MSETCL / MSEDCL and the work will be done under their supervision.

		3. Expenditure on evacuation arrangement: The amount of expenditure on evacuation arrangement payable as financial assistance from the green cess fund will be the amount as per the estimate approved by MSETCL / MSEDCL or as per the expenditure actually incurred, and verified by the MSETCL / MSEDCL, whichever amount is less. 4. The project developer/ The project holder as per availability of funds will be given financial assistance by MEDA as reimbursement from the green cess fund upto a maximum of Rs. 1 crore per project for expenditure made on evacuation arrangement. 5. A capital subsidy of Rs. 50,000 per kW of generation capacity, subject to a maximum of Rs. 1 crore per project will be given from green cess fund, by MEDA. 6. Electricity duty will not be levied for the first 10 years in respect of the small hydro power projects established under this policy for captive use. 7. The evacuation arrangement would include the 11 KV and above lines from the project site to be connected to LV, HV and EHV sub-stations.
6.	**Biomass based Power Projects**	1. After fulfilment of Renewable Purchase Obligation of the distribution licensee, the project developers / project holders will have the option of captive use or third party sale within or outside the state. The option of Renewable Energy Certificate mechanism will also be available. 2. The project developer will undertake, with own expenditure, the erection work of LV, HV and EHV sub-stations as well as laying of transmission and distribution lines required for the project in line with the technical specifications and estimates approved by MSETCL / MSEDCL and the work will be under their supervision. 3. The evacuation arrangement would include the 33 KV & above lines from the project site to be connected to LV, HV and EHV sub-stations. 4. The project developer as per the availability of funds will be given financial assistance as reimbursement by MEDA from the green cess fund, upto a maximum of Rs. 1 crore per project for expenditure made on evacuation arrangement. 5. A capital subsidy of Rs. 1 crore per project will be given for biomass based power projects. 6. Electricity duty will not be levied for the first 10 years in respect of the biomass based power projects established under this policy for captive use.
7.	**Solar Power Projects**	1. Of the target meant for development of solar power projects through MAHAGENCO on public private partnership mode, ten percent of it shall be implemented at places available along the canals, lakes, water bodies of the Water Resources department or of the local government bodies. 2. The minimum capacity to be developed under this policy will be 1 MW. 3. The electricity generated from these projects can be sold to the distribution licensees by competitive bidding, or it can be used for captive purpose within or outside state or for third party sale or for Renewable Energy Certificate mechanism. 4. The solar park projects of less than 1 MW capacity may be developed if projects of minimum 250 kW capacity each are installed and combined. 5. After scrutiny with reference to the regional plan requirements and all other relevant provisions in regard to land, the District Collector can allot upto 4 hectares of land for the grid connected solar power projects of upto 2 MW capacity. Such land will be given, without auction, on lease at 50% concessional rate, in accordance with the provisions of Maharashtra Land Revenue Code and the disposal of Government land Rules, 1971, on case to case basis and with relevant terms and conditions.

		6. The solar power projects under this policy are exempted from obtaining NOC / consent from the Pollution Control Board. 7. The projects of 1 to 5 MW capacities can participate either independently or on cluster basis in the competitive bidding, if the projects are geographically near each other and if it is technically feasible to do so. 8. The supervision charges for setting up of evacuation arrangement will not be applicable. 9. Electricity duty will not be levied for the first 10 years in respect of the solar power projects established under this policy for captive use.
8.	**Industrial Waste based Power Projects**	1. After fulfilment of Renewable Purchase Obligation of the distribution licencee, the project developers will have the option of captive use or third party sale within or outside the state. The option of Renewable Energy Certificate mechanism will also be available. 2. Project developer will undertake, with own expenditure, the erection work of LV, HV and EHV sub-stations as well as laying of transmission lines required for the project in line with the technical specifications and estimates approved by MSETCL / MSEDCL and the work will be done under their supervision. 3. The evacuation arrangement would include the 11 KV and above lines from the project site to be connected to LV, HV and EHV sub-stations. 4. The project developer will be given financial assistance from the green cess fund, by MEDA as per availability of funds, of a maximum of Rs. 1 crore per project for expenditure made on evacuation arrangement, as reimbursement. 5. Electricity duty will not be levied for the first 10 years in respect of the industrial waste based power projects established under this policy for captive use.
9.	**Employment strategy**	Applicable only in Bagasse / Agricultural Waste based Co-generation Power Projects, Small Hydro Power Projects, Biomass based Power Projects, Industrial Waste based Power Projects. 1. It is expected that in the direct employment given in the projects under this policy, 80% of unskilled workers and 50% of semi-skilled /skilled workers should be selected from within the gram panchayat area in which the project is located. 2. It is expected that 2% of the total profit made by the project developer / project holder of the bagasse / agricultural waste based co-generation power project should be utilized for work under social responsibility.
10.	**Terminating Option in PPA**	Renewable power projects will have the option to terminate their existing PPA with MAHADISCOM and opt for open access, if they so desire.

Manipur Hydro Power Policy – 2012, Dated: 24.10.2012

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Nodal Agency</td><td>Manipur Renewable Energy Development agency (MANIREDA)</td></tr>
<tr><td>2.</td><td>Applicability</td><td>The hydro power projects having capacities more than 5 MW in the state, shall come under this policy.</td></tr>
<tr><td>3.</td><td>Objectives</td><td>1. To enhance the overall generation capacity of the state mainly Hydro power.
2. To contribute its share to the Nation's goal of achieving ideal thermal: hydro generation mix of 60:40 ratio.
3. To encourage the participation of Independent Power Producers/ private developers/ CPSUs/SPSUs by offering them best policy frame work and support.
4. To generate and provide employment opportunities to the people of Manipur.
5. To make power sector a major source of revenue to the State.
6. To secure long term financial benefits of the State.
7. To achieve development of the local areas by creation of Local Area Development Committee funded through hydro power projects.
8. To protect the rights of the local inhabitants for irrigation and drinking water requirement.
9. To address the problem of ecological imbalance and environmental degradation caused by implementation of the projects by adopting suitable remedial / mitigating measures.</td></tr>
<tr><td>4.</td><td>Operative Period</td><td>10 - Years.</td></tr>
<tr><td>5.</td><td>Categories of Developers</td><td>a) National/International organizations.
b) Central/State Govt, undertakings
c) Private Industries/institutions, partnership firms/consortium.</td></tr>
<tr><td>6.</td><td>Classification of Projects</td><td>a) Small Hydro projects with installed capacity up to 25 MW.
b) Medium hydro projects with installed capacity above 25MW and up to 100 MW.
c) Large hydro projects with installed capacity beyond 100 MW.</td></tr>
<tr><td>7.</td><td>Allocation of Projects</td><td>1. The allotment of Hydro Projects in the State shall be done through Competitive Bidding route.
2. Interested parties can submit Bids for one or more projects. One Bid Document purchased shall hold good for submission of Bid only for the Project for which the bid document is purchased by the party. The Bids as well as the processing fee shall be submitted separately for each Project applied for.
3. Successful Bidders shall pay upfront charges to the EDM, Government of Manipur within the stipulated time. Fixed upfront money for each category of project is as defined below:
<table>
<tr><th>Sl. No.</th><th>Capacity in MW</th><th>Fixed Upfront Premium per MW</th></tr>
<tr><td>1.</td><td>Up to 50 MW</td><td>Rs. 3.00 lakhs per MW</td></tr>
<tr><td>2.</td><td>100 MW and above</td><td>Rs. 3.00 lakhs per MW for the first 50 MW and Rs. 6.00 lakhs per MW for each additional MW upto 100 MW</td></tr>
<tr><td>3.</td><td>100 MW and above</td><td>Rs. 3.00 lakhs per MW for the first 50 MW and Rs. 6.00 lakhs per MW for each additional MWs up to 100 MW and Rs. 10.00 lakhs per MW for</td></tr>
</table></td></tr>
</table>

				each additional MWs beyond 100 MW.
8.	**Bid Procedures**	1. The bids should be accompanied by a non-refundable fees @ Rs. 50,000/- (Rupees fifty thousand) only per MW subject to a maximum of Rs. 5.00 lacs (Rupees five lacs) per project applied for, which shall be retained by the EDM, GoM as processing charges. 2. A letter of allotment shall be issued to the successful/selected Bidders asking them to execute an MoU with State Government. A sum equivalent to Indian Rupees of Rs.50,000 per MW of installed capacity only shall be required to be deposited by the successful Bidder as the security Deposit either through Banker's Cheque or the Bank Draft drawn in favour of State Government (to be specified in the Bid Document) on a scheduled Indian Bank located at Imphal. 3. The Upfront premium shall be payable by the successful Bidders in three installments i.e. 50% of the amount at the time of signing MoU, 25% at the time of signing of LA and remaining 25% immediately after Financial Closure, in case of any breach of MoU or any part thereof, the Upfront premium deposited at the time of signing MoU shall be liable to be forfeited by the State Government.		
9.	**Policy Framework**	1. In case the capacity of awarded project increases / decreases by 20%, the award conditions will not change. But in case of higher deviation in declared capacity i.e. beyond 20%, the developer shall be required to sign fresh /revised IA with the Govt, of Manipur. In such all cases, the royalty, upfront premium and other charges shall be levied according to the approved norms of the Government for the revised Capacity. 2. The project developed by private developers on Build-Own-Operate-Transfer (BOOT) model would have a validity period of 40 years from the date of Commercial Operation of the project and the same should be reverted back to the Govt, of Manipur after the expiry of this time free of cost without any encumbrances. 3. The developer shall provide minimum 10% and 2.50% of the total generated power minus power for auxiliary consumption as Free Power and for Local Area Development to the state as royalty in the first five years. For the next ten years, the equation shall be 12% and 3% respectively. While, these shall be 15% and 3% respectively in the remaining life of the Project. 4. In case of run of the river projects, the developer shall ensure minimum flow of 15% water immediately downstream of the diversion structure of the Project all the times including lean seasons. 5. The developer(s) shall ensure that procurement of all major equipments of the project shall be made through competitive bidding route only. 6. The Government of Manipur reserves the right of equity participation up to 49% on selective basis.		
10.	**Land**	1. Once the project is awarded to developer, the State Government shall acquire the required land at the cost of the developer. EDM will extend all possible help in coordinating with other State Govt, departments also. 2. State Government may also lease such State khas land within the required area on long term/short term basis required for permanent/temporary works of the Project at the rates fixed by the State Revenue Department. 3. The developer may also acquire on long term lease/ purchase directly from the owners through direct negotiation in accordance with law.		
11.	**Roads & Bridges**	Developer(s) shall be liable to develop infrastructures like roads, bridges, culverts etc. within 10 kms from the project site(s) viz. Dam/ Barrage / Power House. Similar infrastructure up to that periphery may be made available by the State Government.		

12.	**Rehabilitation & Resettlement**	1. The developer in consultation with the State Government shall prepare a Rehabilitation & Resettlement Plan for the Project within the GoI guidelines/ framework and bear the cost. The plan shall be implemented by the State Government. 2. The developer shall provide employment to one member of each of the displaced families if any as a result of the acquisition of land for the project. During the operation and maintenance stage also, the developer shall give preference to the members of displaced families in employment.
13.	**Employment**	1. The developer(s) shall provide employment to 50% of the manpower requirement of the project(s) in respect of unskilled/skilled and other executives/non-executives as may be required for execution, operation and maintenance of the project(s) to the eligible bonafide local residents/Manipuris whose names are registered on live register of any Employment Exchange located in the State of Manipur. 2. The Developer shall also provide training programme to the locals affected by the Project so that they are in a position to get employment for various technical/administrative jobs in the Project.
14.	**Restoration of Existing Facilities**	The developer(s) shall not interfere with any of the existing facilities, till alternative facilities are created for its replacement.
15.	**Taxes &Duties**	1. As there is no law on levy of Entry Tax in the State, all Entry Tax on power generation and transmission equipments meant for the project are deemed to be exempted from such Tax. 2. All other taxes and duties as applicable from time to time by State Government / local bodies shall be paid by the developer(s).
16.	**Tariff**	1. The tariff for sale of energy from the project shall be decided by Joint Electricity Regulatory Commission Manipur-Mizoram/ CERC as per the Central Government policies/rules. 2. In case of sale of energy to any particular bulk consumer or the definite group of people /cooperativesociety (having load requirement of 1MW and above) the mutually agreed tariff rate between the developer company and consumer unit shall be allowed.
17.	**Sale of Power**	1. For all Hydro power projects, the EDM shall contract to take off minimum 60% of the total power after meeting the Free Power and Local Area Development components for sale at the rate notified by Regulatory Commission. 2. The Developer will have the option to sell the remaining 40% of the total power to any HT consumer in any manner they like in accordance with the provisions contained in Electricity Act, 2003 and subsequent notifications issued by CERC/JERC, Manipur & Mizoram from time to time.
18.	**Wheeling Charges**	1. Wheeling charges for wheeling the generated energy to bulk purchaser/third party consumers inside or outside the State will be as determined by the JERC, Manipur & Mizoram. 2. No wheeling charges are applicable in cases of sales to the Electricity Department / concerned State utility.
19.	**Transmission of Power**	The detailed project for power evacuation system will be indicated in the DPR and the total evacuation system shall either be constructed by the developer company at its own cost or it may be developed by the EDM/ concerned Transmission Company of the area on its behalf on deposit basis.
20.	**Despatching**	State Government shall ensure that the proposed SLDC remains an integral part of the STU at least up to the period of the next ten years and also ensure optimum scheduling and dispatch of all the generating stations.

21.	**Incentive**	In case the Commercial Operation of the Project (COD) is achieved prior to the Scheduled Commercial operation date, revenue equivalent to free power up to the Scheduled COD shall be exempted.
22.	**Disincentive**	In the event that the Commercial Operation Date of the Project is delayed beyond the Scheduled Commercial Operation Date, revenue equivalent to free power for the period of delay shall be charged to the developer.
23.	**Local Area Development Committee**	The Government shall constitute a Local Area Development Committee (LADC) for each project being implemented.
24.	**Due Diligences**	The developer shall be responsible for carrying out due diligence with regard to his compliance responsibilities under various applicable Central/State/other laws, rules and regulations and ensure compliance with the same.
25.	**Overriding Condition**	1. The State Government shall not be responsible in any manner for the losses arising out of the force majeure situation such as earth quake, flood, fire, external invasion, civil commotion, land slide etc. and no claim on such accounts by the developers shall be entertained by the State Government. 2. The project developer will have no right for consumptive use of water unless it is specifically mentioned in the contract or separately allowed by competent authority.

Policy on Renewable Sources for Promotion of Generation through Non-Conventional Energy Sources, 2006, Manipur

Sl. No.	Description	Summary
1.	**Nodal Agency**	Manipur Renewable Energy Development agency (MANIREDA)
2.	**Objective**	1. To promote generation of Grid- grade Power through New & Renewable Energy Sources like wind, solar, mini hydel, SHP, biomass and other waste. 2. Ensure Provision of energy security in all villages 3. Priority for village electrification by generation through RE sources.
3.	**Operative Period**	From the date of its publication in the official gazette till superseded or modified.
4.	**Eligible Producers**	1. All Power producers generating Grid-grade electricity from RE Sources with installed capacity not exceeding 25 MW 2. Producers generating electricity for captive consumption 3. Companies, Co-operative, partnerships, Village Development Board/ Village Authorities, individuals etc.
5.	**Grid Interfacing**	1. Power Department to undertake augmentation of the sub-station capacity at 33/11 KV or higher levels at its cost to receive the power generated. 2. Producer to install two separate meters at his cost, one for receipt and other for release of power from the grid, on HT side. Meter and metering boxes to be sealed by State Govt. 3. Producer to install necessary current limiting devices such as Thyristors in the generating equipment. Capacitors of sufficient rating to be provided in the equipment to ensure power factor above 0.80.
6.	**Wheeling**	1. Department to transmit on its grid the power generated by producer and make it available to him for captive use or to a third party for sale within the State, at a uniform wheeling charge of 2% of the energy fed to the grid, 2. Third party to be a HT consumer of power.
7.	**Purchase of power by Power Deptt. Govt. of Manipur**	1. Rs.2.25/- per unit (minimum) 2. Rate to be increased every year for 10 operational years. 3. Thereafter the rate of increase to be mutually settled between Power Deptt. and developer.
8.	**Settlement on Monthly Basis**	All transactions between power Deptt. and producer involving wheeling, banking or sale of power to be settled on monthly basis.
9.	**Banking**	Allowed up to 1 year
10.	**Power Purchase Agreement (PPA)**	20 years unless Developer wants shorter period.
11.	**Exemption from Electricity Duty**	5 years from COD for captive use or sale to a third party.
12.	**Grant of incentive available to industries**	Exemption of tax on RE devices and spare parts
13.	**Sale Tax**	Exempted

14.	**Availability of water for power generation**	1. Allowed to use water for power generation, wherever possible. 2. Cost of modification(s) required, if any, in the existing canal system to be done by the Irrigation Department, at the cost of the producer. 3. Royalty for use of water at a rate not exceeding 10% of the electricity tariff for electricity consumers.
15.	**Application and clearances**	1. An agreement to be entered within one month from the date of clearance. 2. If the applicant does not take effective steps (i.e at least 10% of the total project cost not incurred within six months) to implement the project, the agreement to be terminated and site to be allotted to another applicant.
16.	**Monitoring by State Level Advisory Council (SLAC)**	SLAC headed by Chief Secretary , to monitor the progress of generation of electricity through RE source , undertake review of policy, to aid and advice the State Nodal Agency to make necessary changes according to necessity etc.

Policy for Promoting Generation of Power through Non-Conventional Energy Sources, Meghalaya

Sl. No.	Description	Summary
1.	**Nodal Agency**	Meghalaya Non-Conventional and Rural Energy Development Agency (MNREDA),
2.	**Objective**	There are many villages in Meghalaya which are situated in far flung areas, where a DISCOM will not be in a position to provide electricity on the ground of commercial viability. Therefore, it is imperative that for such remote villages, the non-conventional energy sources will play a vital role for providing power and electricity.
3.	**Eligible Producers**	1. All power producers generating grid-grade electricity from Non-Conventional Energy Sources such as solar, wind electric generators, small hydro plants, biomass combustion, biomass co-generation, waste recycling etc. will be “Eligible Producers” under the scheme. 2. There will be no restriction on maximum generating capacity subject to the condition that power producers having installed capacity of less than 10 KW and more than 25 MW will not be treated as “Eligible Producers”. 3. It shall not be necessary for such power producers to sell the electricity generated to DISCOM or its successor company. Such power producers producing electricity for captive consumption shall also be treated as eligible producers. However, if the third party is a consumer of the DISCOM and needs support of the DISCOM system in case of outage of the power station, then he will have to pay minimum charges as per rules of the DISCOM. 4. There shall be no restriction on the legal form of power producing entrepreneur.
4.	**Grid Interfacing**	1. Interfacing, including transformers, panels kiosk, protection metering, HT lines from the points of generation to the nearest HT lines etc. as well as their maintenance will be undertaken by the producers as per the specification and requirements of the DISCOM for which such eligible producers will bear the entire cost. Alternatively, these works and their maintenance could be undertaken by the DISCOM at charges to be decided by the DISCOM/ SERC when it is set up. 2. Two separate meters, one for the receipt of power to the grid and another for release from the grid, will be installed on the HT side by the eligible producers at his cost. The meters and metering boxes will be sealed by the The State Transmission utility.
5.	**Wheeling**	The State Transmission utility will undertake to transmit on its grid the power generated by eligible producers and make it available to him for captive use or to a third party nominated by eligible producers for sale within the state, at an applicable wheeling charge. However, the third party will have to be HT consumers of the power unless this condition is relaxed specifically by the DISCOM.
6.	**Purchase of power at attractive price**	The DISCOM will purchase electricity offered by the developer as per the tariff fixed by the SERC on mutually accepted terms and conditions.
7.	**Royalty**	The producer will be allowed to use the water for power generation. Royalty on the water used for small Hydro Projects will be charged as admissible.

8.	**Electricity Duty**	Consumption of electricity generated by eligible producer for its captive use or upon sale to a nominated third party will be exempted from electricity duty for a period of 5 years.
9.	**Sales Tax Benefits**	“Eligible Producer” will be eligible for Sales Tax/ VAT deferment/ remission under the provision of schemes notified in this respect by Finance Department as modified from time to time.
10.	**Applications for Clearances**	1. A simple composite application form shall be devised which shall include application for all statutory approval as well. 2. MNREDA/ State government will provide clearance within a period of 2 months from the date of submission of application.
11.	**State Level Advisory Council**	A State Level Advisory Council will be constituted to monitor the process of generation of electricity through Non-Conventional Sources and undertake review of the policy to aid and advice the State Government to make necessary changes in the policy, if required.

Renewable Energy Policy 2003 Power Produced through Non-Conventional Energy Sources, Mizoram, Dated: 30.09.2003

Sl. No.	Description	Summary
1.	**Nodal Agency**	Zoram Energy Development Agency
2.	**Objectives**	With a view to promote generation of grid-grade power through Non-Conventional Energy Sources in the context of lion polluting, renewable inputs like solar, wind, small hydel, biomass and other wastes, (tie Government of Mizoram has adopted this policy.
3.	**Operative Period**	1. Not withstanding the provisions in the existing Revenue Acts and Rules, land lease can be considered for a period not exceeding 99 years, based on merit or life of the project, as the case may be. 2. This policy shall come into operation from the date of its publication in the official gazette and will remain in force until superseded or modified by another order.
4.	**Eligible Producers**	1. All power producers generating 10 kW to 25 MW of grid-grade electricity from Non-Conventional Energy Sources, such as solar, wind electric generators, small hydroelectric plants, biomass combustion, biomass co-generation, waste recycling, etc. will be eligible producers under this Policy. 2. If the third party is a consumer of Power & Electricity Department, Government of Mizoram and needs support of the Department's system in case of outage of the, power station, then he will have to pay minimum charges as per Schedule of Tariff of the Department in force. 3. There shall be no restriction on the legal form of power producing entrepreneur.
5.	**Grid Interfacing**	1. Interfacing including transformers, panels, kiosk, protection, metering, high tension lines from the point of generation to the nearest high tension lines, etc. as well as their maintenance will be undertaken by the producer as per the specifications and requirements of the Power & Electricity Department, for which such eligible producers will bear the entire cost. 2. The Department will undertake to augment the sub-station capacity at 33/11 kV or higher levels at its cost to receive the power generated by eligible producer. 3. The eligible producer at his cost will install meters to measure the outflow and inflow of energy as per the prevailing Rules and Regulation of the Department, which will be jointly sealed by the Department and the producer.
6.	**Wheeling**	The Department will undertake to transmit on its grid the power generated by eligible producer and make it available to him for captive use or to a third party nominated by eligible producer for sale within the State, at a uniform wheeling charge of 2% of the energy supplied to the grid, irrespective of the distance from the generating station. However, the third party will have to be a HT consumer of the power unless this condition is relaxed specifically by the Department.
7.	**Tariff**	The Department will purchase electricity offered by the eligible producer at a rate mutually agreed between the Department and the eligible producer from time to time. The producer may also sell the electricity generated by him to a third party within the State at a rate to be mutually settled between them subject to the approval of the State Government.

8.	**Banking**	The State Electricity Board or the Agency or the Government, as the case may be, will permit electricity generated by eligible producers to be banked for a period up to one year.
9.	**Settlements on Monthly Basis**	All transactions between the Department and the eligible producer involving wheeling, banking or sale of power will be settled on a monthly basis.
10.	**Exemption from Demand Cut**	A reduction in contract demand to the extent of 30% of installed capacity of the power plants shall be permitted by the Department, in case power plant is not utilizing Department's Grid for supply of power to the consumer.
11.	**Security Package for Eligible Producers**	The Department shall endeavor to provide facilities of an irrevocable, divisible, revolving and confirmed stand by Letter of Credit by any nationalized bank. Tire amount of the Letter of Credit shall be equal to the expected payment for three months by the Department.
12.	**Electricity Duty**	Exempted
13.	**Sales Tax**	Renewable Energy equipment and materials shall be exempted from State sales tax.
14.	**Availability of Water for Power Generation**	The eligible producers will be allowed to use water for power generation, wherever possible. The cost of modification required, if any, in the existing canal system will be done by the Minor Irrigation Department or Agriculture Department, as the case may be at the cost of the producer. The Minor Irrigation Department or the Department entrusted with minor irrigation will not charge royalty for use of such water.
15.	**Sate Level advisory Council**	A State level Advisory Council headed by Minister, Power & Electricity with representative from the Agency and Power & Electricity Department, Government of Mizoram will be constituted to co-ordinate all matters relating to renewable energy and to monitor the progress of generation of electricity through Non-conventional Energy Sources and to undertake review of the policy to aid and advise the State Government to make necessary changes in the policy, if required.

Odisha Renewable Energy Policy, 2016, Dated: 25.11.2016

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Renewable Purchase Obligation</td><td>All Obligated Entities in the State are required to purchase quantum of renewable energy as prescribed by OERC in its Regulations.
<table>
<tr><th rowspan="2">Financial Year</th><th>State Energy Consumption</th><th colspan="2">RPO Percentage (%)</th><th colspan="2">Requirement in MU</th><th colspan="2">Requirement in MW</th></tr>
<tr><th>(MU)</th><th>Solar</th><th>Non-Solar</th><th>Solar</th><th>Non-Solar</th><th>Solar</th><th>Non-Solar</th></tr>
<tr><td>2015-16</td><td>23478</td><td>0.5</td><td>2.5</td><td>118.74</td><td>593.7</td><td>91</td><td>136</td></tr>
<tr><td>2016-17</td><td>24550</td><td>1.5</td><td>3.0</td><td>368.25</td><td>736.5</td><td>283</td><td>168</td></tr>
<tr><td>2017-18</td><td>25500</td><td>3.0</td><td>4.5</td><td>765</td><td>1147.5</td><td>588</td><td>262</td></tr>
<tr><td>2018-19</td><td>26500</td><td>4.5</td><td>5.0</td><td>1192.5</td><td>1325</td><td>917</td><td>303</td></tr>
<tr><td>2019-20</td><td>27500</td><td>5.5</td><td>5.5</td><td>1512.5</td><td>1512.5</td><td>1163</td><td>345</td></tr>
</table>
(*Figures given in MU and MW are indicative in nature)</td></tr>
<tr><td>2.</td><td>Objectives</td><td>1. Contribute to long-term energy security of the State as well as ecological security by reduction in carbon emissions.
2. Create an environment conducive to public/private /community participation and investment in Renewable Energy Projects.
3. Create skilled and semi-skilled manpower resources through promotion of technical and other related training facilities.
4. Enhance the contribution of Renewable Energy Projects in the total installed capacity of the State through private participation.
5. Facilitate development of manufacturing units and Research & Development in the Renewable Energy sector</td></tr>
<tr><td>3.</td><td>Targets Envisaged</td><td>The Government of Odisha envisage to achieve the following targets for addition of renewable energy capacity in the State by the year 2022:
<table>
<tr><th>Technology</th><th>Solar</th><th>Wind</th><th>Small Hydro</th><th>Biomass</th><th>WTE</th><th>Total</th></tr>
<tr><td>Target (MW)</td><td>2200</td><td>200</td><td>150</td><td>180</td><td>20</td><td>2750</td></tr>
</table></td></tr>
<tr><td>4.</td><td>Capacity Utilisation Factor</td><td>15-17%</td></tr>
<tr><td>5.</td><td>Solar</td><td>In order to develop the targeted capacity in the State, solar capacity will be added mainly through the following four areas/means:
1. Land Based Solar Projects :
a) IDCO has identified large chunks of land under its Land Bank Scheme.
b) GEDCOL as Nodal Agency will facilitate allotment of the land on lease as per the provisions of IPR-2015 for developing solar projects.
c) The project developer may utilize the energy generated for self-consumption or sell power generated from such projects within or outside the State to any Procurer.
2. Projects Utilizing Water Bodies:
a) Areas covered under water bodies such as reservoirs, lakes, canals and storage ponds can be considered for development of solar projects. Solar PV panels can be mounted on structures on canal tops.
b) Floating solar technologies can be considered, wherein solar panels can be</td></tr>
</table>

		mounted on floats and placed on water bodies. c) GEDCOL shall be the Nodal Agency for development of solar projects utilizing water bodies. d) GRIDCO shall have the first right of refusal to procure power from the solar projects developed on water bodies at the tariff discovered during the competitive bidding process and approved by OERC. 3. **Projects on Consumer Side of Meter** a) Investors/consumers who want to develop rooftop PV projects can set up their facility by connecting to the grid either at 33 kV /11 kV three phase lines or at 440/220 Volt three/single phase depending on the size of the system. However, it shall be the responsibility of the project developer to arrange land required, if any, for the project. b) OREDA shall be the nodal agency for the projects of below 1 MW capacity on the consumer side of the meter. c) The projects of 1 MW and above capacity will be implemented by GEDCOL. d) The net-metering facility will be extended to all the project developers who intend to set-up solar photovoltaic plants on their rooftops. e) Project developers shall follow the net metering Orders issued by the OERC from time to time. 4. **Solar Parks** There will be two modes of implementation of the Solar Parks depending upon the implementation agency, namely, GEDCOL Solar Parks and Private Park Developer model. a) **GEDCOL Solar Parks:** • Under this model, GEDCOL shall develop all infrastructure facilities. • The developers shall pay the per MW facilitation charges as determined by GEDCOL. GEDCOL will provide the land to project developers on 30 years lease at a pre-determined lease/rent and other charges as per the agreed terms & conditions. • The share of land in the solar park allotted to the solar manufacturing capacity shall be limited to maximum of 10% of the allotable land. • The ratio of solar generation, in energy terms, should be at least 60% of total electricity generated in a hybrid project. • The minimum capacity that can be allotted to any individual solar power developer' shall be 10 MW. The maximum capacity allocated to a single developer shall be 30% of the Solar Park capacity. However, GEDCOL may relax the capacity norms on 'case to case' basis. b) **Private Park Developer Model** • A maximum 5 acre/MW of land shall be leased out for solar park development. • In case, 80% of the project capacity is not developed within a period of 5 years, penalty shall be imposed by GEDCOL. • For every 1 MW shortfall in capacity, the solar park developer shall be liable to pay 3 times the lease rent for every year until 80% of the capacity is developed.
6.	**Small Hydro**	The Engineer-in-Chief (EIC) (Electricity) shall be the nodal agency for small hydro projects. 1. **Process of Selection of Developer and Allotment/Cancellation of Projects** Self-identified small hydro projects shall not be allowed. The nodal agency shall prepare the DPRs and place the recommendations of the State Technical Committee (STC) for Small Hydro-Electric Projects to the Government of Odisha for approval.

		2. **Sale of Power** a) GRIDCO shall have the first right of refusal in case of all small hydro projects developed in Odisha, which it shall exercise at the time of scrutiny of the project by the STC. Where GRIDCO will procure power, such projects will be allocated on tariff based competitive bidding. b) In case of sale of power to entities other than GRIDCO, the project will be allocated on competitive bidding on the basis of maximum free power to be supplied by the developer to the State.
7.	**Wind**	OREDA shall be the nodal agency for wind power development in the State. 1. **Wind Resource Assessment** a) Wind Resource Assessment (VVRA) is carried out by OREDA at various places including at hill tops. NIWE gives the co-ordinates of locations for WRA studies. Acquisition of land for setting up met masts (measurement towers) at these locations will be done by OREDA. b) The Government land required for setting up of wind monitoring station shall be allotted on temporary basis to the Developer for a maximum period of 3 years at the rate to be decided by the District Level Committee. c) Purchase and acquisition of private land, if any shall be the responsibility of the Developer. 2. **Process of Selection of Developer and Allotment of Projects** a) Applicants may apply to the nodal agency to set up the wind power project on the Government land or private land. b) If more than one application is received for setting up project at the same site on the Government land, then the allotment of project shall be done on competitive bidding on the basis of site premium amount. c) The projects shall be allocated to applicants on private land in accordance with their proposal. 3. **Sale of Power** a) The project developer may utilize the energy generated for self-consumption or sell power generated from such projects within the State or outside the State to any Procurer in accordance with the relevant regulations of the OERC. b) To kick start the wind power development in the State, GRIDCO shall purchase initial wind power capacity up to 50 MW at the generic tariff to be determined by OERC from time to time.
8.	**Biomass**	OREDA shall be the nodal agency for development of Biomass based power projects in Odisha. 1. **Identification of Biomass Catchments** 2. **Process of Selection of Developer and Allotment of Projects** If GRIDCO agrees to procure power, the selection of project developer will be based on a tariff based competitive bidding. 3. **Land** Waste and fallow lands may also be allocated to the eligible developers for raising energy plantations so as to meet up to 20% of the annual biomass fuel requirement. 4. **Sale of Power** The project developer may utilize the energy generated for self-consumption or sell power generated from such projects within the State or outside the State in accordance with the relevant regulations of OERC. GRIDCO shall have the first right of refusal. OERC shall determine the tariff for such projects from time to time.
9.	**Waste to Energy**	OREDA shall be the nodal agency for development of Waste to Energy, mainly Municipal Solid Waste (MSW), Industrial and Agricultural Waste based power projects in Odisha. 1. **Process of Selection of Developer and Allotment of Projects** The Urban Local Body (ULB) will select the project developer and allot the WTE

		projects. 2. **Availability of Solid Waste** a) It is the responsibility of the ULB to collect solid waste, process it and destroy the same. b) To make this process less cumbersome and environmentally sustainable, it is appropriate that costs associated with collection and processing of solid wastes are borne by the ULB. 3. **Land** The ULBs would make land available at suitable location to the project developer for projects based on WTE as per the norms set in the IPR-2015. 4. **Sale of Power** GRIDCO shall purchase the power from such projects at the generic tariff to be determined by OERC.
10.	**Decentralized Renewable Energy Applications**	**Types of Applications** ORFDA shall be the State Nodal Agency to execute and co-ordinate all projects under decentralized applications of Renewable Energy such as: a) All RE based small/mini/micro grids up to 1 MW b) Roof top Solar Projects c) Solar water pumping for irrigation, drinking water supply etc. d) Wind-solar hybrid projects e) Micro/Pico hydro projects f) Biomass gasifier for power generation and thermal applications g) Solar thermal projects h) Biogas based projects for domestic application & power generation i) Improved cook stoves j) All new and innovative energy options
11.	**Odisha Renewable Energy Development Fund (OREDF)**	1. The State Government will create a Odisha Renewable Energy Development Fund (OREDF) within six (6) months of issuance of this policy for accelerated development of renewable energy in the State. 2. Independent / private developer shall contribute 5 paise per unit of Renewable Energy sold outside the State towards generating financial resources for this Fund. 3. The State Government shall provide a corpus of Rs. 250 crore spread over 5 years for creation of OREDF, which will be released by the Government in suitable tranches every year.
12.	**Land**	1. Exemption from the ceiling on land holdings as per the Land Reforms Act (1960) of Odisha and its amendments shall be applicable for renewable energy projects. OREDA/ GEDCOL shall facilitate clearance to this effect for renewable energy project developers from the competent authority. 2. Developers may rope in private land owners willing to lease out their land for renewable energy projects on long term lease basis for a minimum period of 30 years at the lease rates as will be mutually decided by the project developer and the private land owner.
13.	**Inter-connection Arrangement**	1. Infrastructure required to connect the project till inter-connection point shall be developed and maintained by the Developer at his own cost. 2. GRIDCO and OPTCL shall work in close co-ordination with the Nodal Agencies to ensure that requirements of the renewable energy generation are factored into while finalizing their transmission and distribution network plans. 3. The main and check meters would be installed by the Developer at the interconnection point of OPTCL/DISCOMs Substation. 4. It shall be the responsibility of DISCOM (or in case of STU with projects 132 KV and above) to ensure that all the infrastructure required beyond inter-connection point is created in a timely manner for projects at 11KV and 33KV. The DISCOM shall claim the cost incurred on such development under its ARR (Annual Revenue

		Requirement).
14.	**Transmission & Sale of Power**	1. Any person generating electricity from renewable energy sources, irrespective of installed capacity, shall have open access to any licensee's transmission system and/or distribution system, as the case may be. 2. For projects on consumer side of the meter, inter-connection arrangements as specified under the Net-metering Regulations/Orders and their amendments from time to time shall be followed. 3. Charges regarding wheeling, banking, cross subsidy surcharge and additional surcharge for Open Access consumers as notified by OERC from time to time will be applicable. 4. Presently, procurement of power through third party sale from Renewable Energy sources is exempted from the Cross Subsidy Surcharge and only 20% wheeling charge is payable by the consumers drawing power from Renewable Energy source through Open Access excluding Co-generation & Biomass power plants. 5. All renewable energy power systems shall be treated as 'Must Run' power plants and shall not be subjected to Merit Order Rating (MOR)/Merit Order Dispatch (MOD) principles subject to the applicable regulations of OERC and provisions of the relevant PPA.
15.	**Concessions in Taxes & Duties and Other Benefits**	1. No stamp duty will be required to be paid in respect of land allotted by the Government/IDCO to Solar Park Developers. 2. All new renewable energy projects developed under this policy who come into commercial production within the stipulated period shall be exempted from paying Electricity Duty for self-consumption for a period of 5 years from the date of achieving commercial operation as certified by the nodal agency.
16.	**Exemptions from Certificates, Fees & Charges**	1. Testing charges of FIC would be waived for all new and renewable energy projects. 2. Supervision charges shall not be levied by DISCOM/OPTCL for projects under this Policy. 3. No clearance from State Pollution Control Board, Odisha would be required for Renewable Energy projects except Biomass and Municipal Solid Waste Projects.
17.	**Special Incentives for Renewable Energy Manufacturing Units**	1. Any kind of RE manufacturing facility / hub shall be treated as Priority Sector as per IPR-2015. The relevant provisions under the Industrial Policy Resolution-2015 under priority sector shall be applicable to the entrepreneurs setting up manufacturing units of Solar PV Panels, other RE equipment and associated devices/equipment in Odisha with minimum investment and employment limits as Rs. 10 crore and 20 persons respectively for both category 'A' and category 'B' districts. The benefits of category 'Al ' & category 'B1', as applicable, would be made available as per IPR-2015. 2. IPICOL shall act as facilitator in regard to allotment of land in Industrial Estates/Solar Parks to set up such units by private entrepreneurs and also for other clearances/concessions.

Revised Policy Guidelines for Execution of Mini/Micro/Small Hydro-electric Projects by Private Developers, Orissa, Dated: 23.06.2003

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Eligibility**	• Any willing Public Sector or Private Sector Developer will be considered by the State Government for setting up Projects if in the opinion of the State Government the party is found capable after considering various aspects like (i) technical soundness of the prefeasibility study, detail survey and investigation report, (ii) financial standing of the party, (iii) experience in the relevant field and (iy) commercial viability. • The State Government will sign MQU with such parties for execution of projects where total cost of the Project is less than Rs. 250 crores and installed capacity is 25 MW or below per site.
3.	**Government Clearances**	1. Clearance from the other State Government agencies like State Pollution Control Board, State Forest and Environment Department etc. shall be obtained by the Developer. 2. The Developer should also get in principle clearance of Water Resources Department of Government of Orissa if the Power plant is to use any existing canal or infrastructure of the Water Resources Department. 3. In other cases clearance of Water Resources Department will be given by the State Technical Committee where Engineer in Chief, Water Resources is a member. State Government will extend all possible co-operation for obtaining clearances from other organisations. The State level nodal Committee approval/implementation of these projects and sort out interdepartmental issues. 4. In case the developer intends to use the transmission and sub-transmission system, it should obtain in principle clearance from GRIDCO/DISTCO.
4.	**Permission and Tariff:**	1. A generating company intending to set up a hydroelectric plant does not need a license or prior approval/consent from OERC while a developer other than a generating company has to obtain consent of OERC. 2. 'A developer may utilise the power generated through the power plant for captive use at the place or generation or at any other place in the State with permission of OERC subject to technical feasibility on the system on payment of access charge and wheeling charges to be determined by OERC. 3. While the developer does not acquire a right to sale of Energy to the Bulk Supply/Distribution Licensee, he may be allowed to do so on the basis of a PPA with the Licensees to be approved by OERC. 4. Transmission capacity permitting a developer or a Generating Company shall be allowed to transmit energy outside State on payment of; transmission/ wheeling charges to be determined by the appropriate authority. 5. Banking of energy generated through a Captive, Hydro Plant shall be allowed on annual basis. The financial year shall be reckoned for the purpose. Two and half per cent of energy despatched shall be deducted towards banking charges. 6. The consumption by industry should not normally be in excess of the dispatch from the CPP. However over drawal, if any, over the financial year would be billed at highest cost of power being procured by GRIDCO during the year plus wheeling charges as determined from time to time.

5.	**Land**	Land required for Micro/M&i/Small Hydro Project will be provided by the Government directly or through IDCO as in case of new industrial project.
6.	**Grid Interfacing and Metering**	• Grid interfacing required to connect the Generating Units, have to be constructed by the party by their own cost. Scheme for the proposed interconnecting lines and sub-station to the nearest 33/11 KV Sub-station or 132/220/33 kv Grid Sub-station, will require the approval of GRIDCO/ DISTCO and included in the DPR. • Interconnection lines and sub-stations are to be Constructed and maintained by the Developer, GRIDCO/DISTCO also may maintain the same by mutual agreement on payment of annual charges as per the rules and regulations of GRIDCO/DISTCO. • The main and the check meters should be installed by the developer at the interconnection point of GRIDCO/DISTCO Sub-station.
7.	**Incentives**	All incentives and facilities applicable to new industrial units and CPPS under the Industrial Policy in force will be available to Micro, Mini and Small Hydro Projects, provided that there will be no royalty charges on water for its non-consumptive use in power generation for the first 5 years of operation.
8.	**Application Procedure**	Documents Available With E. I. C, Electricity: ➢ List of Micro, Mini and Small Hydel Project Rs.500/- per set in the State. ➢ Standard Power Purchase Agreement Rs. 1,000/- per set ➢ Pre-feasibility reports of projects Rs. 5,000/- per project ➢ Detailed Project Reports Rs. 25,000/- per project
9.	**Bank Guarantee**	After allotment of the project, the EMD - will be refunded only after submission of another Bank Guarantee (refundable) towards Security deposit to be given @ Rs. 1 lakh per MW before signing the MOU.

New and Renewable Sources of Energy (NRSE) Policy – 2012, Punjab, Dated: 26.12.2012 with amendment Dated: 09.07.2015

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Nodal Agency</td><td>Punjab Energy Development Agency (PEDA)</td></tr>
<tr><td>2.</td><td>Objectives</td><td>1. To maximize and improve the share of new and renewable sources of energy to 10% of the total installed power capacity in the state by 2022. NRSE sector wise details are mentioned separately.
2. To promote renewable energy initiatives for meeting energy / lighting needs in rural areas and supplementing energy needs in urban, industrial and commercial sectors.</td></tr>
<tr><td>3.</td><td>Project Capacity Target by 2022</td><td><table>
<tr><th>Sr. No.</th><th>Project</th><th>Total capacity (in MW)</th></tr>
<tr><td>1.</td><td>Small/ Mini / Micro Hydel</td><td>250</td></tr>
<tr><td>2.</td><td>Biomass/Agro residue</td><td>600</td></tr>
<tr><td>3.</td><td>Urban, Municipal and Industrial Liquid / Solid Waste</td><td>50</td></tr>
<tr><td>4.</td><td>Solar Power generation</td><td>1000</td></tr>
</table>
1. The Govt. of Punjab endeavor to promote solar energy projects at farm level through land owning farmers with a minimum capacity of 1 MWp and maximum capacity of 2.5 MWp per land owning farmers in the state for sale of power to PSPCL at applicable, generic determined by PSERC from time to time.
2. The cumulative capacity under this category shall be limited to 500 MW.</td></tr>
<tr><td>3.</td><td>Allotment of Projects</td><td>1. All NRSE Projects including Small Hydro Projects upto 25 MW capacity, Biomass IPP, MW scale Solar PV & Solar Thermal Projects, Waste to energy projects under IPP mode and MW scale roof top solar PV for net metering/sale of power shall be allocated through competitive bidding by PEDA.
2. All NRSE projects of capacity upto 1 MW shall be allocated on the recommendation of PEDA, whereas all NRSE projects of capacity more than 1 MW shall be allocated on the recommendation of the Project Allotment Committee.</td></tr>
<tr><td>4.</td><td>Tariff</td><td>The NRSE projects shall be provided tariff for sale of power as per PSERC RE tariff orders and shall be governed by RE regulations.</td></tr>
<tr><td>5.</td><td>Implementation of Project</td><td>The project developer shall be required to submit a performance security in the shape of Bank Guarantee of Rs 20 lacs per MW in case of non-solar projects and Rs. 40 Lacs per MW in case of solar projects before signing of implementation agreement or as stipulated in the bid document.</td></tr>
<tr><td>6.</td><td>Scheduling</td><td>As per applicable regulations</td></tr>
<tr><td>7.</td><td>Banking</td><td>The banking facility for the power generated shall be allowed for a period of one year by the PSPCL/LICENSEE/PSTCL. However, the energy banked during non-paddy season and non peak hours will not be allowed to be drawn during paddy season and peak hours respectively.</td></tr>
<tr><td>8.</td><td>Injection of NRSE Power</td><td>PSPCL/LICENSEE/PSTCL will accept the injection of energy in full even during sustained high frequency hours to ensure full utilization of non-conventional energy resources and merit order shall not be applicable.</td></tr>
</table>

9.	**Energy Payment**	PSPCL/LICENSEE will clear dues within 60 days. However if the Developer requests for payment in 30 days or against Letter of Credit / payment in 7 days, rebate of 1% or 2% respectively, as the case may be, will be admissible to PSPCL/LICENSEE. Delay in payments will attract interest as per PSERC/CERC regulations.
10.	**Letter Of Credit**	The amount of the Letter of Credit shall be equal to the bill amount of one month on the basis of average of last three months. All expenditures on Letter of Credit shall be borne by the power producers.
11.	**Grid Interfacing**	1. Interfacing, including installation of transformers, panels, kiosks, protection and metering equipment on LT/ HT side of the generating station up to interconnection point and its subsequent maintenance shall be undertaken by the power producer/plant owner. 2. In all other cases, the private developer shall be required to lay its own transmission lines from the switchyard of its generation facility to the PSPCL/LICENSEE/PSTCL grid sub-station at its own cost in addition to all equipment required for evacuation of power in its own generating facility switchyard.
12.	**Wheeling Charges**	1. All transmission & distribution losses and all other charges as per open access regulation shall be to the account of the OA consumers. Such wheeling and/or transmission of power shall be governed by Open Access Regulations/ procedures. 2. Captive power generators will be required to seek permission of PSPCL/PSERC for laying of transmission line for taking power to destination of use in Punjab. 3. The facility of exemption of transmission & wheeling charges on intra state open access shall be available to the NRSE plants achieving commercial operation (COD) from the date of issuance of this amendment notification uptill 31.3.2017 for a period of ten years: from the date of COD of the plant.
13.	**Land**	1. Wherever Irrigation land on canal banks is available, Punjab Irrigation Department (PID) will transfer canal land to PEDA on notional lease amount of Rs. 1.50 lac per annum per site. 2. For setting up MHP on canals, wherever the Irrigation Department executes the Deposit work inside the canal on behalf of Private Developer, no Departmental Charges shall be paid to PID by the private developer however, supervision charges on actual basis shall be payable subject to maximum 5% of the deposit work executed by PID. 3. Agricultural land shall be allowed to be used for setting up of Renewable Energy Power Projects in the state and no CLU, EDC/or any other charges/fees for the same shall be payable.
14.	**Cess**	The power producers setting up hydel projects will pay cess @ 1.5 paisa per unit of electricity generated for use of river/ canal water.
15.	**Electricity Duty**	1. The NRSE Power Generation and consumption by generators themselves as a captive unit from NRSE projects shall be fully exempted from levy of Electricity Duty. 2. 100% Electricity Duty for power consumed from state licensee during construction and testing of the project shall be waived.
16.	**Octroi**	Exempted
17.	**VAT**	To promote usage /generation from NRSE, manufacturing & sale of NRSE devices/systems, and equipments / machinery required for NRSE Power Projects shall be exempted from Value Added Tax (VAT) and any cess thereupon.

18.	**Entry Tax**	100% exemption from entry tax in respect of all supplies (including capital goods, structure and raw materials) made for setting up and trial operations of the projects.
19.	**Stamp Duty**	Exempted
20.	**NOC**	Solar PV Power projects shall be exempt from obtaining any NOC/consent under Pollution control laws from the PPCB.

Policy for Promoting Generation of Electricity through New and Renewable Energy Sources in Tripura (Draft)

Sl. No.	Description	Summary
1.	**Objectives**	With a view to promote generation of grid-quality power through New and Renewable Energy Sources in the context of non polluting, renewable inputs like solar, wind, small hydel, biomass and wastes and others, the Government of Tripura has adopted this policy.
2.	**Operative Period**	This policy shall come into operation from the date of its publication in the official gazette of Tripura and will remain in force until superseded or modified by another order.
3.	**Eligibility**	1. All power producers generating 10 KW to 25 MW of grid-grade electricity from New and Renewable Energy Sources, such as solar, wind power generators, small hydro, Biomass etc" are "eligible producers" under this Policy. 2. Renewable energy producers in the joint-sector, formed by Government agencies and the producers will also be "eligible producers". 3. Power producers producing electricity from New and Renewable sources for captive consumption shall also be treated as "eligible producers". 4. There shall be no restriction on the legal form of power producing entrepreneur, Companies, co-operative, partnerships, individuals, charitable societies, Non-Governmental Organizations, etc. and they will all be "eligible producers" provided that they undertake to generate electricity from New and Renewable Energy Sources.
4.	**Financial criteria**	Average annual financial turnover of the producer on establishment, operation & maintenance for the last three consecutive financial years shall be at least 50% of the estimated project cost.
5.	**Land**	1. **Government Land** :- Land lease, as per existing Government rules and regulations, can be considered on case to case basis for setting up such projects subject to availability of Government/Local body/Gram Panchayet land. 2. **Private Land** :- Non-Agricultural Conversion of land will be allowed on case to case basis if Private/Agricultural land is purchased by the eligible producers for setting up the RE project as it is eco-friendly. 3. **Forest Land** :- Wherever Forest Land / Land in the buffer zone of Wildlife sanctuary/reserve forest etc. is involved in the RE projects, the same will be processed for consideration by the State Forest Department under the existing provisions of Forest Conservation Act.
6.	**Grid Interfacing**	1. Interfacing including transformers, panels, kiosk, protection, metering, high tension lines etc as required from the point of generation to the nearest high tension lines, as well as their maintenance will be undertaken by the producer as per the specifications and requirements of the Power Department / TSECL, for which such eligible producers will bear the entire cost. 2. The eligible producer at his cost will install the line, equipment as required for grid connectivity and install meters at his end to measure the outflow and inflow of energy as per the prevailing Rules and Regulation of the Department, which will be jointly sealed by the Department and the producer. 3. The producer shall comply with grid code including load despatch & system operation code, metering code, protection code, safety code etc. as applicable from time to time in the state of Tripura.
7.	**Wheeling**	1. The Department will undertake to transmit on its grid the power generated by eligible producer and make it available to him for captive use or to a third party

		nominated by eligible producer for sale within the State, at a uniform wheeling charge as decided mutually by the concerned authorities or @ 2% of the energy supplied to the grid, irrespective of the distance from the generating station. 2. However, CERC/TERC regulations, if any in force, will be the guiding factor in deciding such wheeling charges.
8.	**Tariff**	1. The rate of increase of tariff every year shall be mutually be settled between Department / TSECL and the producer. 2. If the third party is a consumer of Power Department and needs support of the Department's system in case of outage of power from the power station of the producer, then the third party will have to pay minimum charges as per Schedule of Tariff of the Department in force.
9.	**Use of Conventional Fuel**	Use of conventional fuel in the process of generation of electricity may be allowed for Biomass based projects in the event of reduced biomass availability, but this use of conventional fuel shall be restricted to 30% on the basis of the criteria applicable for an efficient Duel fuel Biomass based power plants and as finalized by the Department.
10.	**Banking**	1. The State Electricity Corporation or the Agency or the Department, as the case may be, will permit electricity generated by eligible producers to be banked for a period up to one Financial year. 2. If the banked energy is not utilized by the producer within one month of the end of the concerned Financial year, the same will be treated as purchased by the State Electricity Corporation or the Agency or the Department, as the case may be and will be settled at the rate specified in the Power Purchase Agreement.
11.	**Exemption from Demand Duty**	A reduction in contract demand to the extent of 30% of installed capacity of the power plants shall be permitted by the Department, in case power plant is not utilizing Department's Grid for supply of power to the consumer.
12.	**Security Deposit**	1. The producer, within one month upon approval of the project, shall deposit with the department, an amount equal to 2.5% of the estimated cost of the project as security deposit towards completion of the project within the prescribed time frame. 2. The deposit may be in the form of bank guarantee on any Nationalized Bank.
13.	**Electricity Duty**	Exempted
14.	**Sales Tax Exemption**	Renewable Energy equipment and materials shall be exempted from State sales tax / VAT or other state levies or alternately, sales tax/VAT paid by the producer on renewable energy equipments and materials would be suitably reimbursed to the producer.
15.	**Free supply of solid waste at site**	Concerned Municipal/ urban local bodies will provide garbage at the project site free of cost for urban, Municipal (Solid/Liquid) & industrial waste based power projects.
16.	**Nodal Agency**	Tripura Renewable Energy Development Agency
17.	**Availability of Water from Power generation for NCES**	The Minor Irrigation Department or the Department entrusted with minor irrigation will not charge royalty for use of such water for initial period of 7 years. In case of mini hydel, the royalties of forest items for construction of reservoirs / dams / Power House / forebay / penstocks etc. would be exempted.
18.	**Sharing of CDM Benefits**	1. 100% of gross process on account of CDM benefits to be retained by the project developer in the first year after the date of commercial operation of the generating station. 2. 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 beneficiary.

POLICY FOR HARNESSING RENEWABLE ENERGY SOURCES IN UTTARAKHAND WITH PRIVATE SECTOR / COMMUNITY PARTICIPATION

Sl. No.	Description	Summary
1.	**Objectives**	To create conditions conducive to Private Sector/Community participation in power projects based on RE Sources in the State. In particular. To meet and supplement minimum rural energy needs through sustainable RE projects. To provide decentralized energy supply to agriculture, industry, commercial and household sector. To improve the quality of grid power through such projects, as a consequence of tail-end generation and feeding. To create public awareness and involve users/local community along with their capacity building in establishing, operating and managing RE projects. To create direct and indirect employment opportunities in the State.
2.	**Hydroelectric Power**	• The untapped potential that could be harnessed before 2020 through Micro/Mini/Small Hydro projects is about 600 MW. • Based on the generating capacity, Projects will be grouped into the following three categories: ➢ Micro Projects with capacity upto 100 kW, ➢ Mini Projects with capacity above 100 kW and upto 5 MW, ➢ Small Projects with capacity above 5 MW and upto 25 MW. • On the basis of the mode for identification, projects may be grouped into the following two categories: ➢ **Self Identified Projects:** Developers may identify projects, prepare the DPR and ask for allotment; ➢ **State Identified Projects:** The State or State Sponsored Agencies may identify projects of any size, prepare the DPR and allot it in the prescribed manner.
3.	**Co-generation**	The Sugar, paper, fertilizer, chemical, textile and other industries have an estimated potential of about 220 MW that could be tapped by co-generation. This would not only augment the State's grid but would also help captive generation.
4.	**Biomass/Agro residue and waste**	It is estimated that about 20 million Metric Tons of agro residues and agro industrial/ processing waste is produced annually in Uttarakhand. It holds promising potential for generating decentralized power of about 300 MW.
5.	**Urban, Municipal and Industrial Liquid /Solid Waste**	At present about 1000 Metric Tons of Municipal, Urban and Industrial solid/ liquid waste is being produced every day in the State. Introducing scientific processing and treatment of this waste would lead to power generation along with abatement of environmental pollution. Initially a small number of such projects would be supported.
6.	**Solar Energy**	The State is endowed with vast potential of solar energy and the Government of Uttarakhand (GOU) is keen to tap this resource; the State would support efforts for setting up Solar based power projects.
7.	**Wind Power**	There is immediate necessity for wind mapping in the State to assess and exploit the available potential.
8.	**Geothermal Power**	There is necessity for assessment of geothermal energy in the State to exploit the available potential.
9.	**Energy conservation**	Energy auditing would be made mandatory in the State especially for industrial units where the load exceeds 25 kW. Appropriate mechanisms would be evolved for effective implementation of energy conservation measures.

10.	**INCENTIVES**	
11.	**Sale of electricity**	• On the electricity generated by the RE projects, UPCL will have the first right of purchase; such purchases may be made in whole or part as per the requirement of UPCL. • The price of electricity to be purchased by the UPCL will be determined by the UERC; the price so determined will be announced in advance and will be uniformly applicable to all producers. • The GOU will provide guarantee for the payments to be made by the UPCL for such purchases.
12.	**Wheeling of electricity**	UPCL/PTCUL will undertake to transmit through its grid the power generated and make it available to the producer for captive use or third party sale within/outside the State for which wheeling charges uniformly applicable to all producers would be announced in advance.
13.	**Banking**	• UPCL would extend the facility of Banking to the Developers at mutually agreed terms. • In case of power generation from Municipal Solid Waste, if Government land (belonging to Urban Local Bodies/Panchayats) is available, the required land for setting up RE projects would be provided on nominal lease rent of one rupee per square meter per year for a period of 33 years subject to further renewal on mutually agreed terms and conditions.
14.	**Payments for Hydro Projects**	• All payments would be made in the form of a Bank draft of any Nationalized Bank. • **Application fee (Non-refundable):** Rs.5000/- • **Processing fee (Non-refundable):** At the time of signing the Development Agreement ➢ For Micro projects: Rs. 10,000/-. ➢ For Mini projects : Rs. 25,000/-. ➢ For Small projects: Rs. 50,000/- • • • **Security payment:** At the time of signing the Implementation Agreement ➢ For Micro projects:: Rs.20,000/-. ➢ For Mini projects: Rs.50,000/-. ➢ For Small projects: Rs. 1,00,000/- • **State Identified Projects:** Small Hydro projects would be allotted on the basis of open competitive bidding (without any reservation).
15.	**Payments for Other RE Projects**	• **Payments to be made:** All payments would be made in the form of a Bank draft of any Nationalized Bank. • **Application fee (Non-refundable):** Rs.5000/- • **Processing fee (Non-refundable):** At the time of signing the Development Agreement: ➢ For projects upto 1 MW: Rs.10,000/-. ➢ For projects more than 1 MW : Rs.25,000/-. • **Security payment:** At the time of signing the Implementation Agreement ➢ For projects upto 1 MW: Rs.20,000/-. ➢ For projects more than 1MW: Rs.50,000/-.
16.	**Benefits Under Clean Development Mechanism (CDM)**	Projects covered under this policy may not involve cheapest form of generating energy. However, keeping their environment friendly nature, the State would encourage projects to obtain the benefits available under the Clean Development Mechanism (CDM).
17.	**MISCELLANEOUS**	• Industrial units located in Uttarakhand and willing to participate in the open competitive bid for the purpose of establishing RE projects for their captive use, would be given preference by accepting their bids provided these are not less than 80% of the highest bid. • If a feasible Micro/Mini Hydro project remains un-allotted on the basis of the procedure prescribed in this Policy, the same would be allotted to any developer through open competitive bidding, the

		procedure for which would be laid down separately. • Projects allotted before the date of publication of this Policy in the Official Gazette shall continue to be governed by the Policy under which they were allotted; these would not be eligible for incentives under this Policy. • In case of augmentation of capacity of Self Identified Projects due to any reason, the developer would be required to pay additional premium of Rs.1 Lakh per MW or fraction thereof for enhancement upto 5 MW and Rs.5 Lakh per MW or fraction thereof in case of enhancement beyond 5 MW along with requisite amount to take into effect the inflation from the date the premium was paid. For State Identified Projects allotted on the basis of open competitive bidding, the extra premium to be paid would be calculated on the basis of a formulation to be specified separately. • In case any developer, for any reason (before a project is commissioned), sells his project to some other developer, the developer selling the project shall be required to deposit an additional amount equal to the bid premium. • Projects would be offered for a period of 40 years from the date of award at the end of which they shall revert to the GOU or extended further on mutually agreed terms.
18.	**Royalty**	• On Micro, Mini and Other RE projects governed by this policy, no royalty payment would be charged. • On Small Hydro projects governed by this policy, royalty payment for the first 15 years of operation would be exempted. From 16th year of operation, a royalty @ 18% of energy generated would be charged.
19.	**Applicability**	This Policy would become effective from the date of its notification in the Official Gazette of GOU.

Policy for the Development of Hydropower in Uttaranchal through Projects of Capacity of 25 MW and Larger

Sl. No.	Description	Summary
1.	**Objectives**	The objectives of this policy are to attract investors for the development of the State's water resources in an environment-friendly manner, and to generate revenues for the State from development of its hydel resources while ensuring project viability.
2.	**Operative Period**	• This policy shall be in operation from the date of its publication as notified by Government Order. • All Hydropower projects/stations estimated to have an installed capacity of 25 MW and larger shall be eligible under this policy.
3.	**Projects**	• The GoU shall stipulate for each project, as part of the bid conditions, a maximum number of years for completion of the project implementation i.e. outer limit for project completion, which would be binding on all bidders. • The projects shall be offered for a period of forty five (45) years from the date of the award at the end of which they shall revert to the Government of Uttaranchal or extended further on mutually agreed terms, as per the decision of the Government of Uttaranchal. • The project assets would be maintained by the successful concessionaire in a condition that would ensure a residual life of the project at the rated capacity for at least 30 years at any point of time. • During the 10th, 20th, 30th and 40th years of operations, as well as during the last year of concession, the GoU or one of its appointed agencies would carry out a mandatory inspection of the project site to ensure that the project assets are maintained to the required standards to ensure the specified generation capability and residual life of the plant. • If the concessionaire fails to comply with the requirements, the GoU would have the right to terminate the concession by payment of compensation.
4.	**Process of Allotment**	• Bids shall be invited for premium payable upfront to the Government of Uttaranchal per MW in the case of each project/site, subject to a minimum threshold premium of Rs. 5 lakhs per MW. Bids received beneath the threshold premium will be rejected. • The successful bidder, however, may be permitted to provide 50% of the bid amount in excess of the threshold as a bank guarantee encashable at the time of actual or scheduled financial closure, whichever is earlier. The proportion of bank guarantee may be modified by the GoU prior to bidding, if required.
5.	**Sale of Power**	The IPP can contract to sell power to any consumer/s outside Uttaranchal, to the Uttaranchal Power Corporation Ltd. (UPCL), or for the captive use of new industrial consumers in Uttaranchal. The UPCL will specify the conditions under which any consumer or group of consumers is deemed to be a captive user. Sales to the UPCL will be mutually negotiated and approved by the ERCU.
6.	**Wheeling Charges**	• Wheeling charges for wheeling the generated energy outside the State and to captive users within the State will be as determined by the ERCU. However, for those projects which are bid out prior to the determination of this rate by the ERCU, the wheeling charge (for the entire concession period) would be 10% of net energy supplied at the interconnection point. • The wheeling charges will be payable to the UPCL, and will include compensation for all costs, infrastructure charges and losses that may be incurred by the UPCL.

		• The UPCL will prepare a standard wheeling agreement draft consistent with this policy statement. • No wheeling charges are applicable in cases of sales to the UPCL.
7.	**Grid Interfacing / Transmission Line**	• The IPP shall be responsible for laying lines for connectivity to the nearest grid sub-station at the appropriate voltage, which will be 132 kV or higher depending on the capacity of the power station and distance from the power station to the Grid. UPCL will determine the specifications for the evacuation facilities required. • For certain projects where the evacuation costs are very high, the GoU may agree to finance a part of the costs, the quantum and terms of which shall be made available as part of the pre-bid information. • For certain projects where the infrastructure costs like access roads, bridges, etc. are very high, the GoU may decide to share such costs with the IPP. • IPPs would be free to structure the evacuation facilities in a different company if they so desire.
8.	**Banking**	No banking of power will be permitted.
9.	**Taxes, & Royalty & Other Charges**	• On all projects governed by this policy, for the first 15 years, royalty at the rates of 12 % of net energy wheeled (after deducting wheeling charges) or supplied directly without wheeling would be charged. Beyond the 15th year of operation, a royalty of 18 % of net energy wheeled or supplied directly without wheeling will be made available to the GOU free of charge by all IPPs. • No further levies, taxes, charges other than those stipulated in this policy would be levied by the State Government and its agencies or the Regulator on the IPPs governed by this policy, for a period of ten years from the date of this policy.
10.	**Incentives by State Government**	• No entry tax will be levied by the State Government on power generation, transmission equipment and building material for projects. • As part of bid conditions, GoU could offer select projects an option to defer royalty payments of the first 8 years of project operation with the condition that the deferred royalty shall be valued at the weighted average sales realisation of UPCL per unit of input power fed into UPCL's grid system at 132 KV and below. • The deferred royalty would be recovered from the project company by GoU from the 9th to the 15th year and will attract interest at the rate of 12.5 % per annum applicable at six monthly intervals on the total outstanding amounts. • The deferred royalty dues to GoU would be secured by a charge on the assets and cash flows of the IPP, which would however be subordinated to the charge of senior lenders and working capital bankers to the IPP.
11.	**Transfer of Allotment**	Free transfer of shares will be permitted in the companies allotted projects as per the procedure laid down in this document.
12.	**Time Limit for Executing the Project**	• IPP shall prepare and submit the detailed project reports and all other information and make the necessary applications for obtaining the statutory clearances and approvals of the state and central governments and the regulator (as applicable) after carrying out the required confirmatory surveys and investigations as per prevailing regulations/norms within 3 years from the date of allotment. • The IPP shall achieve the financial closure within 1 year from the date of receipt of all statutory approvals and clearances given by the State and Central governments. • The failure to reach any of the milestones will result in automatic cancellation of the allotment of the site, and forfeiture of any up front premium amounts paid. No compensation would be payable to the IPPs in such instance. • Failure to reach the milestone as, after project has commenced construction, would result in a liability to pay a penalty by the IPP to the GoU, computed at the equivalent royalty revenue that would have been payable to the GoU had the project met the milestone.

		• The IPP may surrender the allotment back to GoU if on completion of the DPR, within the stipulated time-frame, it has grounds to establish that the project is not techno economically viable. On such surrender, the bank guarantees provided by the IPP in lieu of upfront premium would be released and any premium amount paid in excess of the threshold premium of Rs. 5 lakhs / MW, would be refunded to the IPPs by the GoU.
13.	**Role Of UPCL**	The UPCL will be responsible for the preparation of wheeling agreements and assessment of evacuation requirements.
14.	**Regulatory Oversight**	Aspects of this policy that require Regulatory approvals from the concerned regulator, would be subject to such approvals being given and would apply in the manner approved by the Regulator.
15.	**Due Diligence**	The applicant/IPP shall be responsible for carrying out due diligence with regard to his compliance responsibilities under various applicable Central/State/other laws, rules and regulations, and ensure compliance with the same.

Policy for the Development of Hydropower in Uttaranchal through Projects of Capacity of 100MW and Larger

Sl. No.	Description	Summary
1.	**Objectives**	• The Government of Uttaranchal (GOU), recognising the fact that the hydro power potential of the state needs to be harnessed to the maximum in the shortest possible time for the economic development of the state and for meeting the energy demand of the country, has accorded top priority to this sector. • There are a number of sites where hydropower project of the capacities larger than 100 MWs can be established. To attract private investment for the development of such projects and as a sequel to the policy of 19-10-2002, the Government of Uttaranchal has decided to announce this policy.
2.	**Operative Period**	• This policy shall be in operation from the date of its publication as notified by Government order. • The GOU will invite proposals from private sector investors for development of identified sites. • The preliminary project profiles of the identified sites will be made available to the investors before the process of competitive bidding.
3.	**Pre-Qualification**	• For each identified site, which will be notified by the GOU from time to time, there shall be a pre-qualification selection of the bidders based on their past experience and financial and technical capacity. • Guidelines for evaluation and the passing score on attribute required for pre-qualification shall be specified at the time of inviting proposal for pre-qualification.
4.	**Process of Allotment**	• Bids shall be invited over a minimum premium, payable upfront to the Government of Uttaranchal, at the rate of Rs. 5 (Five) Crores per project. Project will be allotted to bidders making the highest bid over and above the upfront minimum premium. Bids below the minimum premium shall not be considered. • The successful bidder shall be required to deposit the minimum premium and 50% of the bid amount in excess of the minimum premium within the period fixed by the Government in this behalf. For the remaining fifty percent (50%) of the bid amount in excess of the minimum premium, the bidder may be permitted to provide a bank guarantee encashable at the time of actual or scheduled financial closure, whichever is earlier. • If there are two or more identical bids which emerge as the best bids for any project, allotment will be made on the basis of the average score obtained in valuation of the pre-qualification among the identical bidders. • In the events of inability of preparing a viable DPR or getting legal/administrative/technical approvals after the completion of the above mentioned fixed period the project will revert back to GOU and the allotment shall be treated cancelled automatically. In such a case no compensation will be payable to the allottee and the amount paid by allottee shall vest in the GOU.
5.	**Terms of Allotment of the Project**	• Project will be allotted for an initial period of 45 years. After the expiry of the initial period or the extended period, as the case may be, the project will revert back to the Government of Uttaranchal. • The project assets would be maintained by the developer in a condition that would ensure a residual life of the project at the rated capacity for at least 30 years at any point of time. • During the 10th, 20th, 30th, and 40th years of operations as well as during the last year of allotment, Govt. of Uttaranchal or one of its appointed agencies would carry out a mandatory inspection of the project to ensure that the project assets are maintained to the required standards to ensure the specified generation capability and residual life of the plants.

		• If the concessionaire fails to comply with the requirements, the GOUA would have the right to terminate the concession by payment of compensation. • The termination compensation value would be based on estimated net cash flows to equity shareholders for the next ten years or residual period of concession, whichever is lesser, discounted at a suitable rate. Both the estimate of cash flows as well as the discount rate would be approved by the Uttaranchal Electricity Regulatory Commission (UERC) which will also factor the costs of refurbishment, renovation, repairs, etc. required to bring the project assets to the standards specified.
6.	**Sale of Power**	• The developer of the project will have the right to sell the power outside the State. • No agency of the State will guarantee purchase of power. • If anytime the state requires additional power, the concerned organisation of the State, may purchase electricity from the project on terms and conditions to be decided mutually by the developer and the concerned agency.
7.	**Royalty**	• Twelve percent (12%) of electricity generated shall be made available free of cost to the State during the entire life of the Project. This free power will be in addition to the amounts received at the time of allotment. • Completion of the project prior to the scheduled date as contained in the implementation agreement will attract incentive to the developer. This incentive will be decided on the basis of a rebate of one percent (1%) per year on the 12% free power for each year of earlier completion. Likewise delay in completion will also entail penalty of one percent (1%) for one year over and above the 12% free power for each year of delay. However, in case the delay in completion is for more than three years the allotment of the Project may be cancelled. • Electricity duty shall be applicable as per law.
8.	**Power Evacuation**	• The developer may build his own evacuation system or get the same constructed through the Transmission/Distribution Corporation of the State/Power Grid Corporation of India. • If the evacuation system is constructed by the undertaking of the State, the same will be developed as a commercial venture. In this case or in the case of utilization of existing evacuation system, wheeling charges, as determined by the Central Electricity Regulatory Commission or Uttaranchal Electricity Regulatory Commission, will be payable by the developer to the State Corporations/Central utility.
9.	**Displacement / Rehabilitation**	The developer of the project shall be liable for the rehabilitation of the displaced persons from the project area and the cost of the same shall be included in the project cost. The State Government will provide necessary assistance to the developer in implementation of R&R Plan.
10.	**Infrastructure**	The necessary infrastructure for the construction/development of the project will be part of the project cost and will be developed by the developer.
11.	**Incentive from State Government**	No entry tax will be levied by the State Govt. on building material, power generation/transmission equipment during construction of the project.
12.	**Others**	State Govt. will provide necessary assistance for required approvals/clearances and other related matters. For clearances/approvals from the State Government and its concerned agencies, an empowered committee or a nodal agency will be nominated.

Uttarakhand Policy for Development of Micro & Mini Hydro Power Projects upto 2 MW-2015, Dated: 31.01.2015

Sl. No.	Description	Summary
1.	**Operative Period**	The Policy will come into operation with effect from its publication in the state gazette and will remain in force until superseded or modified by another Policy.
2.	**Objective**	1. To harness the environment friendly Micro & Mini hydro power resources and enhance their contribution to the socio-economic development of the state. 2. To improve quality of life in rural Uttarakhand by addressing access to energy issues through electricity generated from micro/mini hydro power projects. 3. To provide decentralized energy supply to agriculture, industry, commercial & household sector. 4. To create a favourable environment for community ownership and private sector participation in micro/mini hydro power sector in Uttarakhand. 5. To promote the development of micro/mini hydro power projects as a clean source of energy in the State. 6. To promote grid-compatible power generation and strengthen the quality of rural grid.
3.	**Nodal Agency**	Uttarakhand Renewable Energy Development Agency (UREDA)
4.	**Classification of the Projects**	• Micro hydro projects having capacity upto 100 KW • Mini hydro projects having capacity above 100 KW and up to 2 MW.
5.	**Eligibility**	The Micro/Mini hydro projects upto 2 MW capacity shall be reserved for the Panchayat Raj Institutions (PRIs) of Uttarakhand and these projects would be executed by the PRIs either: • On their own or, • With the aid of an SPV partner to be selected by bidding process.
6.	**Procedure for allotment of sites for development of hydro power projects**	1. The Nodal Agency shall be responsible for identifying the potential sites and prepare the Detail Project Report (DPR) for the development of MHP sites. 2. The available sites shall be advertized to seek bids. 3. Application shall be invited from the eligible PRI's as per prescribed application form. 4. The eligibility of the interested SPV partner shall be evaluated on the basis of pre-qualification criteria as mentioned in the bid document. 5. The applications shall be accompanied with a non-refundable Demand Draft of Rs. 5,000/- as non-refundable processing fees. 6. The successful bidder i.e. the selected SPV partner, shall deposit, the security amount of Rs. 1,00,000.00 (one lach only) in case of projects having capacity upto 100 KW and Rs. 10,00,000.00 (ten lacks only) for the projects having capacity above 100 KW and upto 2 MW. 7. The security amount will in the form of Bank Guarantee issued by any Nationalized Bank in the favour of Director, UREDA payable at Dehradun.
7.	**Evaluation/Pre-qualification Criteria**	**1. For the project having capacity upto 100 KW:** • Under this capacity, the SPV partner of the project should fulfill the eligibility criteria as define in the bid document. • The financial capability of the SPV partner should not be less than Rs.10,000.00 per KW for project capacity.

		2. For the project having capacity above 100 KW and upto 2 MW: • SPV partner should have i) experience in developing, constructing and operating hydro power projects or ii) have experience of any infrastructure related works and services in Uttarakhand. However in case (iii), the SPV partner should provide evidence regarding technology tie up for technical support from any company/consultant/agency. • The SPV partner of the project should fulfill the eligibility criteria as define in the bid document. • The financial capability of the SPV partner should not be less than Rs. 25,000.00 per KW for project capacity.
8.	**Schedule of Implementation**	1. As per the Ministry of Environment and Forest, Government of India notification dated 14 September 2006, no prior environmental clearance is required for Micro & Mini Hydro Projects, as these projects come under the environment friendly projects. 2. Developer shall obtain required statutory clearances and approvals (if any) in case of purchase of land for construction of the project within 6 months of allotment of the project. 3. The Project shall be completed and made operational within a period of 36 months after financial closure of the project.
9.	**Incentives/benefits available under this policy**	1. Developer will be eligible for central financial assistance as per the standing guidelines of Ministry of New and Renewable Energy (MNRE), GoI. 2. No royalty shall be charged on these projects. 3. No entry tax will be levied by the state Govt. on Power generation/transmission equipment and building material used for MHPs. 4. The projects awarded under this policy shall be exempted from the "Water user charges". 5. The Govt. land including the land belongs to the eligible PRI's, other than the forest land, if required, for Power Projects shall be allotted on lease for 40 years @ premium of Rs. 1 per sq. m. However, in case of non availability of Govt. land, the land required shall be acquired by the concerned developer. If forest land is required for power project, the applicable rules shall apply. 6. Exemption from court fee for registration of documents relating to lease of land will be granted to the developer.
10.	**Tariff**	1. For the projects allotted under this policy, the developer shall be free to sell the power to any consumer or can be used for captive. 2. If developer wishes to sell the generated power to DISCOM of Uttarakhand than DISCOM of Uttarakhand is bound to purchase the electricity generated from the project. 3. Banking of power shall be allowed as per applicable regulations issued by the UERC from time to time. A separate Agreement will be executed for banking of power with DISCOM of Uttarakhand for such banking.
11.	**Wheeling Charges**	The wheeling shall be applicable as decided by UERC from time to time.
12.	**Open Access**	1. If Open Access is granted to any developer they shall have to pay the applicable Open Access charges and losses as approved by UERC from time to time. 2. The Cross Subsidy Surcharge shall be payable by the buyer, if he is a consumer of distribution licensee, as approved by the Commission from time to time.
13.	**Metering of Electricity**	Metering arrangement shall be made as per Central Electricity Authority (Installation & Operation of Meters) Regulations, 2006, the Grid Code, the Metering Code and other relevant regulations issued by UERC/CERC in this

		regard.
14.	**Power Evacuation and Grid Interfacing Facility**	As per the regulation/procedures defined by UERC and as amended time to time.
15.	**Reactive Power Charges**	The drawl of reactive power shall be charged as per the UERC order, as amended from time to time.
16.	**Clean Development Mechanism**	The project developer shall pass on the benefits of Clean Development Mechanism as per the directions provided by CERC/UERC from time to time.

POLICY FOR HARNESSING RENEWABLE ENERGY SOURCES IN UTTARAKHAND WITH PRIVATE SECTOR/COMMUNITY PARTICIPATION
Dated: 29.01.2008

Sl. No.	Description	Summary
1.	**Objective**	• To harness the environment friendly RE resources and enhance their contribution to the socio-economic development of the State. • To meet and supplement minimum rural energy needs through sustainable RE projects. • To provide decentralized energy supply to agriculture, industry, commercial and household sector. • To improve the quality of grid power through such projects, as a consequence of tail-end generation and feeding. • To enhance the use of energy sources that assist in mitigating environmental pollution. • To support efforts for developing, demonstrating and commercializing new and emerging technologies in the RE sector and, to this end, help establish linkages with national and international institutions for active collaboration. • To create conditions conducive to the involvement of private investors in RE projects. • To create public awareness and involve users/local community along with their capacity building in establishing, operating and managing RE projects. • To create direct and indirect employment opportunities in the State.
2.	**Potential Proposed to be Harnessed**	1. **Hydroelectric Power:** The untapped potential that could be harnessed before 2020 through Micro/Mini/Small Hydro projects is about 600 MW. 2. **Co-generation:** The Sugar, paper, fertilizer, chemical, textile and other industries have an estimated potential of about 220 MW that could be tapped by co-generation. 3. **Biomass/Agro residue and waste:** It is estimated that about 20 million Metric Tons of agro residues and agro industrial/processing waste is produced annually in Uttarakhand. It holds promising potential for generating decentralized power of about 300 MW. 4. **Urban, Municipal and Industrial Liquid/Solid Waste:** At present about 1000 Metric Tons of Municipal, Urban and Industrial solid/ liquid waste is being produced every day in the State. 5. **Solar Energy:** The State is endowed with vast potential of solar energy and the Government of Uttarakhand (GOU) is keen to tap this resource; the State would support efforts for setting up Solar based power projects. 6. **Wind Power:** There is immediate necessity for wind mapping in the State to assess and exploit the available potential. 7. **Geothermal Power:** There is necessity for assessment of geothermal energy in the State to exploit the available potential.
3.	**Sale of Electricity:**	On the electricity generated by the RE projects, UPCL will have the first right of purchase; such purchases may be made in whole or part as per the requirement of UPCL. The price of electricity to be purchased by the UPCL will be determined by the UERC.

<table>
<tr><td>4.</td><td>Wheeling of Electricity</td><td>UPCL/PTCUL will undertake to transmit through its grid the power generated and make it available to the producer for captive use or third party sale within/outside the State for which wheeling charges uniformly applicable to all producers would be announced in advance.</td></tr>
<tr><td>5.</td><td>Banking:</td><td>UPCL would extend the facility of Banking to the Developers at mutually agreed terms.</td></tr>
<tr><td>6.</td><td>Evacuation</td><td>For evacuating energy from the generation site, requisite network of transmission/ distribution lines would be provided by UPCL/PTCUL.</td></tr>
<tr><td>7.</td><td>Land for Municipal Solid Waste</td><td>The power generation from Municipal Solid Waste, if Government land (belonging to Urban Local Bodies/Panchayats) is available, the required land for setting up RE projects would be provided on nominal lease rent of one rupee per square meter per year for a period of 33 years subject to further renewal on mutually agreed terms and conditions.</td></tr>
<tr><td>8.</td><td>Single Window Clearance for RE Projects</td><td>Setting up of RE projects involves sanctions/clearances from a number of Government Agencies/Departments. The State Government would provide requisite clearances in a time bound manner through a single window mechanism. For this purpose a high level empowered committee (composition at Appendix) is constituted to accord necessary approvals/clearances.</td></tr>
<tr><td>9.</td><td>Payments For Hydro Projects</td><td>• All payments would be made in the form of a Bank draft of any Nationalized Bank.
Application fee (Non-refundable): Rs.5000/-
• Processing fee (Non-refundable): At the time of signing the Development Agreement
➢ For Micro projects: Rs. 10,000/-.
➢ For Mini projects: Rs. 25,000/-.
➢ For Small projects: Rs. 50,000/-
• Security payment: At the time of signing the Implementation Agreement-
➢ For Micro projects: Rs.20,000/-.
➢ For Mini projects: Rs.50,000/-.
➢ For Small projects: Rs. 1,00,000/-</td></tr>
<tr><td>10.</td><td>Competitive Bidding Fee (for Hydro Projects)</td><td>Applicants short-listed on the basis of prequalification criteria would be invited to submit their financial bids based on premium payable to the Government of Uttarakhand. For this purpose the following thresh-hold premium is prescribed (bids quoting premium below the thresh hold would be rejected out rightly) :–
➢ Above 2 MW & upto 5MW: Rs. 1,00,000/- per MW
➢ Above 5MW & Up to 25 MW: Rs. 5,00,000/- per MW</td></tr>
<tr><td>11.</td><td>Other RE Projects</td><td>1. Other RE Projects would be kept open for all categories of developers and these would be allotted on self identification basis or, wherever possible, on tariff based bidding.
2. The procedure for tariff based bidding would be prescribed separately. The Self Identified Projects would be allotted on the basis of the following:
• Evaluation Criteria: For evaluating suitability of a prospective Developer of a Self Identified Projects, the following would be considered-Technical capability and Financial capability.
• Payments to be made: All payments would be made in the form of a Bank draft of any Nationalized Bank.
➢ Application fee (Non-refundable): Rs.5000/-
➢ Processing fee (Non-refundable): At the time of signing the Development Agreement-
❖ For projects upto 1MW: Rs.10,000/-.
❖ For projects more than 1MW : Rs.25,000/-.
➢ Security payment: At the time of signing the Implementation Agreement-</td></tr>
</table>

		❖ For projects upto 1MW: Rs.20,000/-. ❖ For projects more than 1MW: Rs.50,000/-.
12.	**Clean Development Mechanism (CDM)**	Projects covered under this policy may not involve cheapest form of generating energy. However, keeping their environment friendly nature, the State would encourage projects to obtain the benefits available under the Clean Development Mechanism (CDM).
13.	**Miscellaneous**	1. In case of augmentation of capacity of Self Identified Projects due to any reason, the developer would be required to pay additional premium of Rs.1 Lakh per MW or fraction thereof for enhancement upto 5 MW and Rs.5 Lakh per MW or fraction thereof in case of enhancement beyond 5 MW along with requisite amount to take into effect the inflation from the date the premium was paid. For State Identified Projects allotted on the basis of open competitive bidding, the extra premium to be paid would be calculated on the basis of a formulation to be specified separately. 2. Projects would be offered for a period of 40 years from the date of award at the end of which they shall revert to the GOU or extended further on mutually agreed terms.
14.	**Royalty**	1. On Micro, Mini and Other RE projects governed by this policy, no royalty payment would be charged. 2. On Small Hydro projects governed by this policy, royalty payment for the first 15 years of operation would be exempted. From 16th year of operation, a royalty @ 18% of energy generated would be charged.

Policy on Co-generation and Generation of Electricity from Renewable Sources of Energy, Dated: 05.06.2012, West Bengal

<table>
<tr><th>Sl. No.</th><th>Description</th><th>Summary</th></tr>
<tr><td>1.</td><td>Nodal Agency</td><td>West Bengal Renewable Energy Development Agency</td></tr>
<tr><td>2.</td><td>Objectives</td><td>Long-term objectives:
a) Facilitating enhanced contribution of electricity generation from RE resources;
b) Facilitating and sustaining private sector investment in the development of renewable energy and
c) Adopting / evolving RE technologies and facilitating commercial development of the same e.g. wind, solar, tidal, geothermal etc;
Short-term objectives:
a) Identifying technology-wise thrust areas and strategies for RE in the State;
b) Developing a Roadmap for each of the RE technologies;
c) Facilitating RE investments in the public as well as the private sector;
d) Charting an energy-mix and framing a timeline in synch with the RPOs;
e) Developing future RE technologies via pilot projects, and
f) Framing the basic building blocks to develop necessary regulatory, administrative, infrastructural and institutional mechanisms.</td></tr>
<tr><td>3.</td><td>Target</td><td>
<table>
<tr><th rowspan="2">RE Source</th><th rowspan="2">Potential (in MW)</th><th rowspan="2">Existing Installed Capacity (in MW)</th><th colspan="2">Target Cumulative Capacity (in MW)</th></tr>
<tr><th>2017 (End of the 12th Plan)</th><th>2022 (End of the 13th Plan)</th></tr>
<tr><td>Wind Power</td><td>450</td><td>2</td><td>75</td><td>450</td></tr>
<tr><td>Mini & Small Hydro</td><td>394</td><td>97</td><td>220</td><td>394</td></tr>
<tr><td>Co-generation 1</td><td>6001</td><td>69</td><td>355</td><td>600</td></tr>
<tr><td>Biomass</td><td>662</td><td>16</td><td>240</td><td>662</td></tr>
<tr><td>Waste to Energy 2</td><td>100</td><td>7</td><td>50</td><td>100</td></tr>
<tr><td>Solar</td><td>Under Preparation</td><td>2</td><td>100</td><td>500</td></tr>
<tr><td>Total</td><td>2206</td><td>193</td><td>1040</td><td>2706</td></tr>
</table>
</td></tr>
<tr><td>4.</td><td>Wind Farms</td><td>1. Government-owned wasteland in areas having minimum annual mean Wind Power Density (WPD) of 200 Watt/m2 measured at a hub height of 50 meters and using new generation wind turbine generators will be offered for setting up of wind projects.
2. The CDM benefits would be allowed to directly accrue to the developer.</td></tr>
<tr><td>5.</td><td>Small, Mini and Micro Hydel Projects</td><td>1. The Nodal Agency will undertake studies to prepare the DPR for SHP in a time bound manner and will offer the identified sites for development.
2. The mini-hydro proposals, which involve diversion of water flow, resulting in drying up of a stream/river stretch, will not be considered for development.</td></tr>
<tr><td>6.</td><td>Biomass Projects</td><td>1. In West Bengal, rice husk is a primary feedstock for biomass projects. However, other forms of agricultural waste like wood, straw, maze, energy plantation, etc. are also being considered for generating biomass power in West Bengal.</td></tr>
</table>

		2. For this, barren Government land, waste land, as well as degraded forest land shall be made available. 3. The two-part tariff mechanism for biomass projects with partial fixed cost recovery linked to project availability and the variable cost linked to the fuel cost shall be considered for implementation.
7.	**Small-Scale Biomass Power Projects Using Gasifiers**	1. The power generated is primarily used to meet the captive demand of the rice mills. 2. Presently, in West Bengal, 173 rice-husk-based gasifier systems with an aggregate capacity of 3.5 MW have been installed under the MNRE initiated programme for commercial establishments.
8.	**Waste to Energy**	1. The priority areas for development of power projects will be identified in line with the National Master Plan for Development of Waste-to-Energy in India. 2. Use of bio degradable waste is to be encouraged for generation of electricity through waste-to-energy power projects as well as preventing soil degradation of the waste dumping ground.
9.	**Co-generation**	The Policy envisages that iron and steel, fertilizer and chemical industries having 2,000 KVA and above as connected load, should produce at least 5 per cent of their requirement through captive power plants employing co-generation technology.
10.	**Solar Photovoltaic**	1. Apart from grid-connected solar power, the State is targeting huge capacity addition through rooftop and smaller solar installations. 2. The reactive power charges as well as unscheduled interchange charges shall be borne by the co-generation & renewable energy source developers / distribution licensee / consumers, as the case may be, and as per applicable Regulations of the Commission.
11.	**Rooftop and Small Solar PV Installations**	1. Depending on the rooftop area available and building loads, these solar systems can be as large as 5-10 MW and can power a majority of the building's non-fluctuating loads. 2. Urban local bodies (Municipal Corporations, Utilities, City, Corporations) will form an essential part of the comprehensive solar Policy for cities. 3. It shall be mandatory for all the public buildings to have solar devices to meet electricity requirements and other applications. 4. All existing and upcoming commercial and business establishments having more than 1.5 MW of contract demand will be required to install solar rooftop systems to meet at least 2% of their total electrical load. 5. Further, all the existing and upcoming schools and colleges, hospitals, large housing societies and Government establishments having a total contract demand of more than 500 KW will be required to install solar rooftop systems to meet at least 1.5% of their total electrical load.
12.	**Decentralised Distributed Generation (DDG)**	All remote and non-electrified villages where grid access is technically and commercially not viable shall be electrified based on DDG.
13.	**Evacuation Infrastructure**	1. For grid connectivity of RE projects, the inter-connection point of the renewable energy generation facility with the transmission or distribution system will be as per Regulations of the Commission. 2. For creating pooling stations, the RE projects expected to come up till the year 2020 should be considered, provided that, the evacuation infrastructure cost beyond the inter-connection point shall be borne by the licensees and shall be recovered from the consumers as per suitable pricing framework developed by the Commission (WBERC). 3. The co-generation and renewable energy sources excepting rooftop solar PV sources shall be connected to the State grid at a voltage level of 132 kV

		or 66 kV or 33 kV or 11 KV or 6 KV subject to technical suitability determined by the licensee. 4. Rooftop solar PV sources of capacity ranging between 100 kW – 2 MW shall be allowed connectivity at LV or MV or 6 kV or 11 kV of the distribution system of the licensee as considered technically and financially suitable by the licensee and the developer.
14.	**Time Limit for Projects**	It is mandatory for the Developer to start the work of the project within six months of getting all the necessary statutory clearance.
15.	**Land for R.E. Project Development**	1. For cases where Government vested land is available, the permission for use of such land will be given for 30 years or the project life whichever is less. 2. For projects on private land the developer will arrange the entire required quantum of land through direct purchase from / suitable agreement with the land owner. R.E. projects may not require conversion of private /agricultural land to non agriculture purposes subject to necessary government orders passed for these purposes.
16.	**Clearance**	1. The Nodal Agency will act as a Single Window for obtaining assistance from all line Departments. 2. The Nodal Agency will coordinate and pursue with all the concerned Departments for speedy approvals and clearances within 90 days. 3. In case, the project involves clearance from the MoEF, necessary approvals and clearances will be arranged and coordinated by the Nodal Agency within 120 days.
17.	**Green Energy Fund**	1. In order to finance various initiatives for development of RE in the State, a Green Energy Fund shall be created by the Nodal Agency. 2. The Nodal Agency should use this fund for promotion of RE which will generate sufficient revenue to make the fund self-sustainable. 3. The Nodal Agency shall levy a charge for providing administrative support for obtaining statutory clearance at various levels. 4. The specific details of the chargeable expenses that shall be recovered upfront from the selected developer shall be specified in the bid documents. Such amount earned will be deposited in the Green Energy Fund. 5. Eighty (80)% of the penalty imposed for violation of any statutory clearances shall also be channelled into the Green Fund. Moreover, 50% of the penalty imposed for not meeting the RPO by the obligated entities shall also be fed into the Green Fund.
18.	**Budgetary Support**	The budgetary allocation shall be done in such a way that separate funds shall be created and parked for different RE technologies.
19.	**Open Access**	Any person generating electricity from co-generation or renewable sources can opt for open access, subject to availability of adequate transmission facility to any transmission licensee's system within the State on payment of various charges as specified.
20.	**RPO**	The State Government is committed to procure and utilize the renewable energy power as required and determined by the WBERC.
21.	**Net Metering**	1. Net metering facility will be extended to solar power systems installed on rooftops and connected to the electrical grid to feed excess power back to the grid. 2. Net metering facility for solar rooftop PV should be provided along with a separate meter to get a clear assessment of consumption and generation of electricity by the consumer.

22.	**Incentives**	1. Exemption of demand cut to the extent of 50% of the installed capacity assigned for captive use purpose will be allowed subject to the Regulations of the Commission. 2. The host and obligated distribution utilities shall provide revolving Letter of Credit from a nationalized bank as a payment security mechanism for all RE projects. 3. In case of RE project construction in very remote areas, some infrastructural support including approach roads to the project site may be provided at Government cost.
23.	**CDM Benefit sharing mechanism**	All risks, costs, and efforts associated with the availing of carbon credits shall be borne by the generating company. Further, the entire proceeds of carbon credit from approved CDM project, if any, shall be retained by the generating company.
24.	**Social and Environmental Issues**	1. The developer shall make suitable financial provisions for mitigation of adverse impacts according to the approved Environment Impact Assessment Plan and Environment Management Plan. 2. The Developer/Government acquiring land shall provide an amount not exceeding one percent (1%) of the project cost for :- a) the rehabilitation and resettlement of the persons displaced from the project area b) local development activities like building of schools, hospitals etc.

HYDRO REGULATIONS

CENTRAL ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions of Tariff) Regulations, 2019, Dated: 07/03/2019

Sl. No.	Description	Summary
1.	**Control Period**	5 Years (1.4.2019 to 31.3.2024)
2.	**Applicability**	These regulations shall apply in all cases where tariff for a generating station or a unit thereof is required to be determined by the Commission. These regulations shall not apply to the following cases- • Generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines issued by the Central Government and adopted by the Commission. • Generating stations based on renewable sources of energy whose tariff is determined in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017.
3.	**Useful Life**	Hydro generating station including pumped storage hydro generating stations - 40 Years.
4.	**Date of Commercial Operation**	The date of commercial operation of a generating station or unit thereof shall be determined in accordance with the provisions of the Grid Code.
5.	**Treatment of mismatch in date of commercial operation**	• Where the generating station has not achieved the commercial operation as on the date of commercial operation of the associated transmission system (which is not before the SCOD of the generating station) and the Commission has approved the date of commercial operation of such transmission system the generating company shall be liable to pay the transmission charges of the associated transmission system till the generating station or unit thereof achieves commercial operation. • Where the associated transmission system has not achieved the commercial operation as on the date of commercial operation of the concerned generating station or unit thereof (which is not before the SCOD of the transmission system), the transmission licensee shall make alternate arrangement for the evacuation from the generating station at its own cost, failing which, the transmission licensee shall be liable to pay the transmission charges to the generating company as determined by the Commission.
6.	**Sale of Infirm Power**	• Supply of infirm power shall be accounted as deviation and shall be paid for from the regional deviation settlement fund accounts in accordance with the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014. • Any revenue earned by the generating company from supply of infirm power after accounting for the fuel expenses shall be applied in adjusting the capital cost accordingly.
7.	**Tariff determination**	1. Tariff in respect of a generating station may be determined for the whole of the generating station or unit thereof. 2. Multi-purpose hydro schemes, with irrigation, flood control and power components, the capital cost chargeable to the power component of the scheme only shall be considered for determination of tariff.
8.	**Application for determination of tariff**	• The generating company or the transmission licensee may make an application for determination of tariff for new generating station or unit thereof or transmission system or element thereof in accordance with the Procedure Regulations within 60 days of the anticipated date of commercial operation. • In case of an existing generating station or unit thereof, the application shall be made by the generating company by 31.10.2019, based on admitted capital cost including additional capital expenditure already admitted and incurred up to 31.3.2019 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2019-24 along with the true up petition for the period 2014-19 in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014.

9.	**Determination of tariff**	• Where the capital cost considered by the Commission on the basis of projected additional capital expenditure exceeds the actual additional capital expenditure incurred on year to year basis by more than 10%, the generating company or the transmission licensee shall refund to the beneficiaries or the long term customers as the case may be, the tariff recovered corresponding to the additional capital expenditure not incurred, as approved by the Commission, along with interest at 1.20 times of the bank rate as prevalent on 1st April of the respective year. • Where the capital cost considered by the Commission on the basis of projected additional capital expenditure falls short of the actual additional capital expenditure incurred by more than 10% on year to year basis, the generating company or the transmission licensee shall recover from the beneficiaries or the long term customers as the case may be, the shortfall in tariff corresponding to difference in additional capital expenditure, as approved by the Commission, along with interest at the bank rate as prevalent on 1st April of the respective year.
10.	**In-principle approval in specific circumstances**	The generating company or the transmission licensee undertaking any additional capitalization on account of change in law events or force majeure conditions may file petition for in-principle approval for incurring such expenditure after prior notice to the beneficiaries or the long term customers, as the case may be, along with underlying assumptions, estimates and justification for such expenditure if the estimated expenditure exceeds 10% of the admitted capital cost of the project or Rs.100 Crore, whichever is lower.
11.	**Components of Tariff**	The tariff for supply of electricity from a hydro generating station shall comprise capacity charge and energy charge, as may be applicable, for recovery of annual fixed cost consisting of the components.
12.	**Debt-Equity Ratio**	For new projects - 70:30 • If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. • In case of the generating station including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered.
13.	**Capital Cost**	❖ The capital cost in case of existing or new hydro generating station shall also include: • cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and • cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area. ❖ The following shall be excluded from the capital cost of the existing and new projects: • In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process. • Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment.
14.	**Prudence Check of Capital Cost**	• The Commission may, for the purpose of vetting of capital cost of hydro generating stations, appoint an independent agency or an expert body. • Where the power purchase agreement entered into between the generating company and the beneficiaries provides for ceiling of actual capital expenditure, the Commission shall take into consideration such ceiling for prudence check.
15.	**Interest During Construction (IDC) and Incidental Expenditure during Construction (IEDC)**	• Interest during construction (IDC) shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD. • Incidental expenditure during construction (IEDC) shall be computed from the zero date, taking into account pre-operative expenses upto SCOD. • In case of additional costs on account of IDC and IEDC due to delay in achieving the COD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds in case of IDC and details of IEDC during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • If the delay in achieving the COD is not attributable to the generating company, IDC and IEDC beyond SCOD may be allowed after prudence check and the

		liquidated damages, if any, recovered from the contractor or supplier or agency shall be adjusted in the capital cost of the generating station. • If the delay in achieving the COD is attributable either in entirety on in part to the generating company or the transmission licensee or its contractor or supplier or agency, in such cases, IDC and IEDC beyond SCOD may be disallowed after prudence check either in entirety or on pro-rata basis corresponding to the period of delay not condoned and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be retained by the generating company or the transmission licensee, as the case may be.
16.	**Initial Spares**	Initial spares shall be capitalised as a percentage of the Plant and Machinery cost, subject to following ceiling norms: • Hydro generating stations including pumped storage hydro generating station – 4%.
17.	**Additional Capitalisation within the original scope and upto the cut-off date**	The additional capital expenditure in respect of a new project or an existing project incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission.
18.	**Additional Capitalisation beyond the original scope**	• The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission. • In case of de-capitalisation of assets of a generating company or the transmission licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.
19.	**Additional Capitalisation on account of Renovation and Modernisation**	• The generating company, intending to undertake renovation and modernization (R&M) of the generating station or unit thereof for the purpose of extension of life beyond the originally recognised useful life for the purpose of tariff, shall file a petition before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, and any other information considered to be relevant by the generating company. • After completion of the renovation and modernisation (R&M), the generating company, shall file a petition for determination of tariff. Expenditure incurred or projected to be incurred and admitted by the Commission after prudence check, and after deducting the accumulated depreciation already recovered from the admitted project cost, shall form the basis for determination of tariff.
20.	**Additional Capitalization on account of Revised Emission Standards**	• A generating company requiring to incur additional capital expenditure in the existing generating station for compliance of the revised emissions standards shall share its proposal with the beneficiaries and file a petition for undertaking such additional capitalization. • After completion of the implementation of revised emission standards, the generating company shall file a petition for determination of tariff. Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on reasonableness of the cost and impact on operational parameters shall form the basis of determination of tariff.
21.	**Return on Equity**	• Return on equity shall be computed at the base rate of 15.50% for run-off river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-off river generating station with pondage. • Return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station. • In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission.

<table>
<tr><td>22.</td><td>Tax on Return on Equity</td><td>The base rate of return on equity as allowed by the Commission shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company.</td></tr>
<tr><td>23.</td><td>Interest on loan capital</td><td>1. The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan.
2. The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.
3. 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 depreciation allowed for the year or part of the year.
4. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized.
5. The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.</td></tr>
<tr><td>24.</td><td>Depreciation</td><td>• The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.
• In case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station.
• The capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.
• Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
• In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets.
• In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.</td></tr>
<tr><td>25.</td><td>Interest on Working Capital</td><td>1. For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:
• Receivables equivalent to 45 days of annual fixed cost;
• Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
• Operation and maintenance expenses, including security expenses for one month.
2. Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.</td></tr>
<tr><td>26.</td><td>Operation and Maintenance Expenses</td><td>Following operations and maintenance expense norms shall be applicable for hydro generating stations which have been operational for three or more years as on 1.4.2019:
<table>
<tr><th>Particulars</th><th>FY 2019-20</th><th>FY 2020-21</th><th>FY 2021-22</th><th>FY 2022-23</th><th>FY 2023-24</th></tr>
<tr><td>THDC Stage I</td><td>27,788.87</td><td>29,113.44</td><td>30,501.14</td><td>31,955.00</td><td>33,478.15</td></tr>
<tr><td>KHEP</td><td>13,452.46</td><td>14,093.68</td><td>14,765.46</td><td>15,469.26</td><td>16,206.61</td></tr>
<tr><td>Bairasul</td><td>8,292.11</td><td>8,687.36</td><td>9,101.45</td><td>9,535.28</td><td>9,989.78</td></tr>
</table></td></tr>
</table>

		Loktak	9,538.27	9,992.91	10,469.23	10,968.25	11,491.06
		Salal	19,207.75	20,123.29	21,082.48	22,087.39	23,140.19
		Tanakpur	10,520.33	11,021.79	11,547.15	12,097.55	12,674.18
		Chamera-I	11,773.57	12,334.77	12,922.71	13,538.68	14,184.00
		Uri I	9,865.77	10,336.03	10,828.70	11,344.85	11,885.61
		Rangit	5,336.17	5,590.53	5,857.00	6,136.18	6,428.66
		Chamera-II	10,670.68	11,179.30	11,712.17	12,270.44	12,855.31
		Dhauliganga	8,813.40	9,233.50	9,673.61	10,134.71	10,617.79
		Dulhasti	18,563.04	19,447.85	20,374.84	21,346.02	22,363.49
		Teesta-V	12,186.58	12,767.46	13,376.02	14,013.60	14,681.56
		Sewa-II	7,079.34	7,416.78	7,770.31	8,140.68	8,528.71
		TLDP III	7,539.76	7,899.14	8,275.66	8,670.12	9,083.39
		Chamera III	9,078.72	9,511.46	9,964.83	10,439.81	10,937.43
		Chutak	3,536.67	3,705.25	3,881.86	4,066.89	4,260.74
		Nimmo Bazgo	3,527.43	3,695.57	3,871.72	4,056.27	4,249.61
		Uri II	7,058.82	7,395.28	7,747.78	8,117.08	8,503.99
		Parbati III	6,618.29	6,933.76	7,264.26	7,610.51	7,973.27
		Indira Sagar	11,728.40	12,287.44	12,873.12	13,486.73	14,129.58
		Omkareshwar	7,198.97	7,542.12	7,901.62	8,278.25	8,672.84
		Naptha Jhakari	33,326.11	34,914.62	36,578.84	38,322.39	40,149.04
		Rampur	12,267.22	12,851.94	13,464.54	14,106.33	14,778.72
		Koldam	12,659.94	13,263.39	13,895.59	14,557.93	15,251.84
		Karcham Wangtoo	11,710.14	12,268.31	12,853.09	13,465.74	14,107.59
		Kopili-I	9,044.47	9,475.58	9,927.24	10,400.43	10,896.17
		Kopili-II	1,130.56	1,184.45	1,240.90	1,300.05	1,362.02
		Khandong	2,261.12	2,368.90	2,481.81	2,600.11	2,724.04
		Doyang	5,654.57	5,924.10	6,206.47	6,502.31	6,812.24
		Ranganadi	12,095.88	12,672.44	13,276.47	13,909.30	14,572.30
		Maithon	2,892.40	3,030.26	3,174.70	3,326.03	3,484.56
		Panchet	2,191.37	2,295.83	2,405.26	2,519.90	2,640.02
		Tilaiya	900.17	943.08	988.03	1,035.13	1,084.47
		In case of the hydro generating stations declared under commercial operation on or after 1.4.2019, operation and maintenance expenses of first year shall be fixed at 3.5% and 5.0% of the original project cost (excluding cost of rehabilitation & resettlement works, IDC and IEDC) for stations with installed capacity exceeding 200 MW and for stations with installed capacity less than 200 MW, respectively. In case of hydro generating stations which have not completed a period of three years as on 1.4.2019, operation and maintenance expenses for 2019-20 shall be worked out by applying escalation rate of 4.77% on the applicable operation and maintenance expenses as on 31.3.2019.					
27.	**Computation and Payment of Capacity Charge and Energy**	1. The fixed cost of a hydro generating station shall be computed on annual basis, based on norms specified under these regulations, and shall be recovered on monthly basis under capacity charge (inclusive of incentive) and energy charge,					

	Charge for Hydro Generating Stations	which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, i.e., in the capacity excluding the free power to the home State. 2. The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary, excluding free energy, if any, during the calendar month, on ex-bus basis, at the computed energy charge rate. 3. Shortfall in energy charges in comparison to fifty percent of the annual fixed cost shall be allowed to be recovered in six equal monthly instalments. 4. Any shortfall in the energy charges on account of saleable scheduled energy (ex-bus) being less than the saleable design energy (ex-bus) during the tariff period 2014-19 which was beyond the control of the generating station and which could not be recovered during the said tariff period shall be recovered in accordance with clause (7) of this Regulation. 5. In case of the hydro generating stations located in the State of Jammu and Kashmir, any expenditure incurred for payment of water usage charges to the State Water Resources Development Authority, Jammu under Jammu & Kashmir Water Resources (Regulations and Management) Act, 2010 shall be payable by the beneficiaries as additional energy charge in proportion of the supply of power from the generating stations on month to month basis.
28.	**Computation and Payment of Capacity Charge and Energy Charge for Pumped Storage Hydro Generating Stations**	1. The fixed cost of a pumped storage hydro generating station shall be computed on annual basis, based on norms specified under these regulations, and recovered on monthly basis as capacity charge. The capacity charge shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, i.e., the capacity excluding the free power to the home State. 2. The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary in excess of the design energy plus 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, at a flat rate equal to the average energy charge rate of 20 paise per kWh, excluding free energy, if any, during the calendar month, on ex power plant basis. 3. The generator shall be required to maximize the peak hour supplies with the available water including the natural flow of water. In case it is established that generator is deliberately or otherwise without any valid reason, is not pumping water from lower elevation reservoir to the higher elevation during off-peak period or not generating power to its potential or wasting natural flow of water, the capacity charges of the day shall not be payable by the beneficiary. For this purpose, outages of the unit(s)/station including planned outages and the forced outages up to 15% in a year shall be construed as the valid reason for not pumping water from lower elevation reservoir to the higher elevation during off-peak period or not generating power using energy of pumped water or natural flow of water.
29.	**Computation and Payment of Transmission Charge for Inter-State Transmission System and Communication System**	• Computation and Payment of Transmission Charge for Inter-State Transmission System and Communication System. • The transmission charges shall be calculated separately for part of the transmission system having different NATAF and aggregated thereafter, according to their sharing by the long term customers. The charges of the communication system shall be a part of the transmission charges and shall be shared by the long term customers.
30.	**Deviation Charges**	1. Variations between actual net injection and scheduled net injection for the generating stations, and variations between actual net drawl and scheduled net drawl for the beneficiaries shall be treated as their respective deviations and charges for such deviations shall be governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014. 2. Actual net deviation of every Generating Station and Beneficiary shall be metered on its periphery through special energy meters (SEMs) installed by the Central Transmission Utility (CTU), and computed in MWh for each 15-minute time block by the concerned Regional Load Despatch Centre.
31.	**Normative Annual Plant Availability Factor (NAPAF) (For Hydro Stations)**	1. Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt: 90%. 2. In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided

<table>
<tr><td></td><td></td><td>by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.
3. Pondage type plants where plant availability is significantly affected by silt: 85%.
4. A further allowance of 5% may be allowed for difficulties in North East Region.
5. In case of pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours.
6. Auxiliary Energy Consumption (AEC):
<table>
<tr><th rowspan="2">Type of Station</th><th colspan="2">AEC</th></tr>
<tr><th>Installed Capacity above 200 MW</th><th>Installed Capacity upto 200 MW</th></tr>
<tr><td colspan="3">Surface</td></tr>
<tr><td>Rotating Excitation</td><td>0.7%</td><td>0.7%</td></tr>
<tr><td>Static</td><td>1.0%</td><td>1.2%</td></tr>
<tr><td colspan="3">Underground</td></tr>
<tr><td>Rotating Excitation</td><td>0.9%</td><td>0.9%</td></tr>
<tr><td>Static</td><td>1.2%</td><td>1.3%</td></tr>
</table>
1. For recovery of Annual Fixed Cost, NATAF shall be as under:
• AC system: 98.00%;
• HVDC bi-pole links 95.00% and HVDC back-to-back stations: 95.00%.
2. For Incentive, NATAF shall be as under:
• AC system: 98.50%;
• HVDC bi-pole links and HVDC back-to-back Stations: 97.50%.</td></tr>
<tr><td>32.</td><td>Auxiliary Energy Consumption in the Sub-station</td><td>• AC System: The charges for auxiliary energy consumption in the AC substation for the purpose of air-conditioning, lighting and consumption in other equipment shall be borne by the transmission licensee and included in the normative operation and maintenance expenses.
• HVDC sub-station: For auxiliary energy consumption in HVDC sub-stations, the Central Government may allocate an appropriate share from one or more ISGS. The charges for such power shall be borne by the transmission licensee from the normative operation and maintenance expenses.</td></tr>
<tr><td>33.</td><td>Scheduling</td><td>The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code.</td></tr>
<tr><td>34.</td><td>Metering and Accounting</td><td>For metering and accounting, the provisions of the Grid Code shall be applicable.</td></tr>
<tr><td>35.</td><td>Billing and Payment of charges</td><td>Bills shall be raised for capacity charge and energy charge by the generating company and for transmission charge by the transmission licensee on monthly basis in accordance with these regulations, and payments shall be made by the beneficiaries or the long term customers directly to the generating company or the transmission licensee, as the case may be.</td></tr>
<tr><td>36.</td><td>Recovery of Statutory Charges</td><td>• The generating company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess by considering normative parameters specified in these regulations.
• In case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station (excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month.</td></tr>
<tr><td>37.</td><td>Rebate</td><td>1. For payment of bills of the generating company through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a</td></tr>
</table>

		rebate of 1.50% shall be allowed. 2. Where payments are made on any day after 5 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.
38.	**Late payment surcharge**	In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term customers as the case may be, beyond a period of 45 days from the date of presentation of bills, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company or the transmission licensee, as the case may be.
39.	**Sharing of saving in interest due to re-financing or restructuring of loan**	• If refinancing or restructuring of loan by the generating company, results in net savings on interest after accounting for cost associated with such refinancing or restructuring, the same shall be shared between the beneficiaries and the generating company, in the ratio of 50:50. • In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for settlement of the dispute.
40.	**Sharing of Non-Tariff Income**	The non-tariff net income in case of generating station from rent of land or buildings, sale of scrap and advertisements shall be shared between the beneficiaries or the long term customers and the generating company, in the ratio 50:50.
41.	**Sharing of Clean Development Mechanism Benefits**	• 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be. • 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 or the transmission licensee, as the case may be, and the beneficiaries.
42.	**Sharing of income from other business of transmission licensee**	The income from other business of transmission licensee shall be shared with the long term customer in the manner as specified in the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007.
43.	**Operational Norms to be ceiling norms**	Operational norms specified in these regulations are the ceiling norms and shall not preclude the generating company or the transmission licensee, as the case may be, and the beneficiaries and the long-term customers from agreeing to the improved norms and in case the improved norms are agreed to, such improved norms shall be applicable for determination of tariff.
44.	**Deviation from ceiling tariff**	The tariff determined in these regulations shall be a ceiling tariff. The generating company and the beneficiaries or the long-term customer, as the case may be, may mutually agree to charge a lower tariff.
45.	**Deferred Tax liability with respect to previous tariff period:**	Deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies from the then beneficiaries or long term customers, as the case may be. Deferred tax liabilities for the period arising from 1.4.2009 to 31.3.2014 if any, shall not be recoverable from the beneficiaries or the long term customers, as the case may be.
46.	**Hedging of Foreign Exchange Rate Variation**	• The generating company, may hedge foreign exchange exposure in respect of the interest and repayment of foreign currency loan taken for the generating station, in part or in full at their discretion. • To the extent the generating company is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible, provided it is not attributable to the generating company or its suppliers or contractors.
47.	**Recovery of cost of hedging or Foreign Exchange Rate Variation (FERV)**	• Recovery of cost of hedging or foreign exchange rate variation shall be made directly by the generating company, from the beneficiaries or the long term customers, as the case may be, without making any application before the Commission. • In case of any objections by the beneficiaries or the long term customers, as the case may be, to the amounts claimed on account of cost of hedging or foreign exchange rate variation, the generating company, may make an appropriate application before the Commission for its decision.

48.	**Application fee and the publication expenses**	• The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, may in the discretion of the Commission, be allowed to be recovered by the generating company or the transmission licensee, as the case may be, directly from the beneficiaries or the long term customers, as the case may be. • Fees and charges paid by the generating companies and inter-State transmission licensees (including deemed inter-State transmission licensee) under the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2009, as amended from time to time or any subsequent amendment thereof. • Licence fees paid by the inter-State transmission licensees (including the deemed inter-State transmission licensee) in terms of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. • Licence fees paid by NHPC Ltd to the State Water Resources Development Authority, Jammu in accordance with the provisions of Jammu & Kashmir Water Resources (Regulations and Management) Act, 2010. • The Commission may, for the reasons to be recorded in writing and after hearing the affected parties, allow reimbursement of any fee or expenses, as may be considered necessary.
49.	**Special Provisions relating to BBMB and SSP**	The tariff of generating station and the transmission system of Bhakra Beas Management Board (BBMB) and Sardar Sarovar Project (SSP) shall be determined after taking into consideration, the provisions of the Punjab Reorganization Act, 1996 and Narmada Water Scheme, 1980 under Section 6-A of the Inter-State Water Disputes Act, 1956, respectively.
50.	**Special Provisions Relating to Certain Inter-State Generation Projects:**	The tariff of generating station and the transmission system of Indira Sagar generation project and such other inter-state generation projects shall be determined on case to case basis.

ARUNACHAL PRADESH STATE
ELECTRICITY REGULATORY COMMISSION

Multi Year Tariff Regulations -2018, Dated: 4.10.2018

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• These Regulations shall be applicable to all existing and future Generating Companies, SLDC, Transmission Licensees, Distribution Licensees and their successors, if any; • These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from 1st April, 2019 and onwards; • These regulations shall be applicable where the capital cost based tariff is determined by the Commission. • These regulations shall not apply for tariff determination of renewable energy generation projects.
3.	**Multi-Year Tariff Framework**	The Multi-Year Tariff framework shall be based on the following elements such as Control Period, a detailed Multi-Year Tariff Application, performance parameters, mid-term review of the Annual Revenue Requirement, Truing up of previous year's expenses, mechanism for pass-through of approved gains or losses on account of uncontrollable/controllable factors for determination of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Company.
4.	**Accounting statement and filing under MYT**	1. The filing under MYT by the Generating Company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of ARR as specified in these Regulations, in such form as may be prescribed by the Commission from time to time. 2. The Generating Company shall file separate audited accounting statements with the application for determination of tariff and truing up. 3. In case of a vertically integrated business, the Utility shall be required to file separate applications for determination of ARR and tariff for Generation Business.
5.	**Business Plan**	• The Forum of Regulators recommends for submission of Business Plan six (6) months prior to submission of MYT Petition. Hence, date for submission of business plan would be 31st May for the 2nd year of the control period by the licensee or a Generation company. • A mid-term review of the Business Plan may be sought by the Generating Company through an application filed three (3) months prior to the specified date of filing of Petition for tariff determination for the 3rd year of the Control Period. • The Generating Company shall submit plant-wise details of the capital structure and cost of financing (interest on debt and return on equity), after considering the existing market conditions, terms of the existing loan agreements, risks associated in generation business and creditworthiness
6.	**Specific trajectory for certain variables**	• The Commission shall stipulate a trajectory for certain variables while approving the MYT petition having regard to the reorganization, restructuring and development of the electricity industry in the State. ➢ In case of Generating Stations: Generating station's availability, auxiliary consumption, etc. • This trajectory should provide for sharing of gains and losses with the consumers because of superior and inferior performance as against the targets prescribed
7.	**MYT Application**	• The Generating Company shall submit the forecast of Aggregate Revenue Requirement for the entire Control Period and tariff proposal for the 1st year of the Control Period, in such manner, and within such time limit as provided in these Regulations and accompanied by such fee payable, as may be specified under the Arunachal Pradesh State Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2011, as amended from time to time. • The Applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for

		achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.
8.	**Annual Performance Review and True Up**	• The Generating Company shall be subject to an annual review of performance and True Up during the Control Period in accordance with this Regulation. The Licensee shall file an application for annual performance review of current year, Truing up of the previous year and determination of tariff for the ensuing year in not less than 120 days before the close of each year of the control period. • The Commission shall allow carrying cost for the trued-up amount (positive or negative) at interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.
9.	**Sharing of Gains and Losses**	• **Mechanism for pass through of gains or losses on account of uncontrollable factors:** ➢ The approved aggregate gain or loss to the Generating Company on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or over such period as may be specified in the Order of the Commission passed under these Regulations. • **Mechanism for sharing of gains or losses on account of controllable factors:** ➢ **Sharing of Gains-** 1. One-third of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission; 2. The balance amount, which will amount to two-third of such gain, may be utilised at the discretion of the Licensee. ➢ **Sharing of losses** 1. One-third of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission; and 2. The balance amount, which will amount to two-third of such loss, shall be absorbed by the Licensee. ➢ The gain or loss on account of other controllable factors, unless otherwise specifically provided by the Commission shall be to the account of the Licensee.
10.	**Filing of Tariff Petition**	• The petition for determination of tariff shall be made by 30thNovember every year, in such form and in such manner as specified in this Regulation, and accompanied by such fees as may be specified by the Commission. Proceedings to be held by the Commission for determination of tariff shall be in accordance with the APSERC (Conduct of Business) Regulations, 2011, as amended from time to time. • The generating company and the Licensee shall file information in the formats for the previous year, current year and ensuing year along with their petition as provided in these Regulations. • The petition shall be supported with an affidavit by an authorized person who is acquainted with all facts and not below the Rank of SE, stated in the application or else the Petition would be marked as Null and Void. • Every new generating company shall file a petition with the Commission, at least three (3) months ahead of commencement of commercial operations. • The Commission may reject the petition for reasons to be recorded in writing, if such petition is not in accordance with the provisions of the Act and the rules and regulations made there under or the provisions or any other law for the time being in force.
11.	**Hearing on the application**	• The Commission shall initiate a proceeding on the revenue calculations and tariff proposals given by the applicant and may hold public hearing(s) to decide on such revenue calculations and tariff proposals. • The procedure for public hearing of the tariff application shall be in the manner as specified by the Commission.
12.	**Order of the Commission**	Within a period of 120 days from the date of acceptance of the tariff application and after considering the proceedings of the hearing(s) as well as suggestions / objections received in response to the public notice, the Commission shall issue the tariff order, communicating its decisions on the aggregate revenue requirement, revenue calculations and Tariff proposals

		to the generating company or the licensee as the case may be.
13.	**Publication of Tariff Order**	The generating company or the licensee shall publish the tariff or tariff approved by the Commission in two newspapers having wide circulation in the area of supply.
14.	**Review of Tariff Order**	• All applications for the review of tariff shall be in the form of petition accompanied by the prescribed fee. A petition for review of tariff can be admitted by the Commission under the following conditions: ➢ the review petition is filed within sixty (60) days for the date of the tariff order, and/or ➢ There is an error apparent on the face of the record. • On being satisfied that there is a need to review the tariff of any generating company or the licensee, the Commission may on its own initiate process of review of the tariff of any generating company or the licensee.
15.	**Amendment to Tariff**	The tariff determined and notified as above may not be amended more frequently than once in any financial year, except that tariff rates shall be adjusted in accordance with any adjustment formulae, including variable cost adjustment formula, incorporated in the tariff order or in any order of the Commission.
16.	**Adherence to Tariff Order**	• If any Generating Company recovers a price or charge exceeding the tariff determined under the Electricity Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Generating Company. • The Licensees shall submit periodic returns as may be required by the Commission, containing operational and cost data to enable the Commission to monitor the implementation of its Order.
17.	**Determination of Generation Tariff**	**1. Existing generating station:** • Where the Commission has, at any time prior to the date of effectiveness of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating Unit/Station, the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission. • Where, as on the date of effectiveness of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to such Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission. **2. New generating stations :** • The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be as per power purchase agreement approved by the Commission in line with the provision of National Tariff Policy that came into effect on 28th January, 2016. **3. Own generating stations:** • Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission. • The Distribution Licensee shall maintain separate records for the Generation Business and shall maintain an Allocation Statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and return on equity accruing to such business.

18.	**True-Up Order**	The Commission Shall True-Up expenses either as part of the Tariff order or issue Order/s for True-Up of expenses preceding the Tariff order of ensuing year on annual basis, if required.
19.	**Financial Prudence**	The Generating Company or Licensee is required to manage its finances in an optimum and prudent manner.
20.	**Debt-equity ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in case of a new generating station, transmission or distribution line or substation commissioned or capacity expanded after 1.4.2019, shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual equity shall be considered. • If the Generating Company formed as a result of a transfer scheme, the date of the transfer scheme shall be the effective date for the determination of equity capital.
21.	**Capital Cost and Capital Structure**	• The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The actual capital expenditure on COD for the original scope of work based on audited accounts of the Company limited to original cost may be considered subject to the prudence check by the Commission. • The capital cost may include Initial Spares capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to ceiling norms - Hydro-generating stations- 4%. • Any benefit from such revaluation shall be passed on to persons sharing the capacity charge in case of a Generating Company and to long-term intra-State open access customers of transmission licensee or distribution licensee, or retail supply consumers in case of distribution licensees, at the time of annual truing up. • Any expenditure on replacement, renovation and modernization or extension of life of old fixed assets, as applicable to Generating Company shall be considered after writing off the net value of such replaced assets from the original capital cost. • In case the site of a hydro generating station is awarded to a developer (not being a state controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer for getting the project site allotted shall not be included in the capital cost.
22.	**Demonstration of declared capacity**	• The Generating Company may be required to demonstrate the declared capacity of its generating station as and when asked by the Arunachal Pradesh State Load Despatch Centre. In the event of the Generating Company failing to demonstrate the declared capacity, the capacity charges due to the Generating Company shall be reduced as a measure of penalty. • The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days' fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression.
23.	**Additional capitalization**	• Original scope of work along with estimates of expenditure shall be submitted as a part of Capital Investment Plan Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating Unit/Station. Provided further that the assets forming part of the project but not put to use, shall not be considered. • Impact of additional capitalization on tariff, as the case may be, shall be considered during Truing Up of each financial year of the Control Period.
24.	**Return on Equity**	1. Return on equity shall be computed at the base rate of 15% for run of the river hydro generating station, and at the base rate of 16% for storage type hydro generating stations including pumped storage hydro generating stations and run of the river generating stations with pondage and for distribution licensees. 2. In case of projects approved as per these regulations, commissioned on or after 1st April, 2019, an additional return of 0.50 % shall be allowed, if such projects are completed within the specified time schedule of the

		investment approval by the Commission. 3. The rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), meter (with AMR facilities), data telemetry and communication system up to concerned load dispatch centre or protection system.
25.	**Tax on Return on Equity**	• The base rate of return on equity as allowed by the Commission under these Regulation shall be grossed up with the effective tax rate of the respective financial year. • For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the licensee, as the case may be. • Any under-recovery or over-recovery of grossed up rate on return on equity shall be adjusted during the truing up process.
26.	**Interest and finance charges on loan capital**	• The loans arrived at in the manner indicated in these Regulations shall be considered as Gross normative loan for calculation of interest on loan. • The repayment for the year during the tariff period from FY 2019-20 to FY 2021-22 shall be deemed to be equal to the depreciation allowed for that year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company. • The interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Grants or Deposit Works carried out by Generating Company. • Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System consumers at the Bank Rate as on 1st April of the financial year in which the Petition is filed.
27.	**Depreciation**	• The land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site. • In case of the existing projects, the balance depreciable value as on April 1, 2019, shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto March 31, 2019, from the gross value of the assets.
28.	**Operation and Maintenance Expenses(O&M)**	**1. For Existing Stations:** • The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2017 and shall be escalated at the escalation factor of 6.04%to arrive at operation and maintenance expenses for the base year commencing April 1, 2018. • The O&M expenses for each subsequent year shall be determined by escalating the base expenses determined above for FY 2018-19, at the escalation rate of 6.64% to arrive at permissible O&M expenses for each year of the Control Period. **2. For New Stations:** • O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works). • The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 6.64%.
29.	**Interest on Working Capital**	Interest on working capital shall be allowed at a rate interest rate equivalent to the normative interest rate of three hundred and fifty (350) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.

30.	**Deviation Settlement(DS) charges/Unscheduled interruption (UI)**	1. Generation Company or Licensee shall make every effort to inject or draw power to/from the grid in accordance with its injection / drawl schedule as specified by SLDC. 2. If there is any net DS charge receivable on actual basis for any financial year the generating station shall retain the amount. Similarly, if there is any net DS charge payable on actual basis for any financial year the generating station shall not consider it as expense for determination of ARR. 3. If there is any net DS charge payable on actual for any financial year by the distribution licensee on account of its distribution supply business, then such net payable DS charge will be considered as expenditure subject to maximum 0.5% of the total power purchase cost during that year.
31.	**Rebate**	• For payment of bills of Generation tariff or Transmission charges or SLDC charges within 7 days of presentation of bills, through Letter of Credit or otherwise or through NEFT/RTGS, a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • For payment of bills of generation tariff or Transmission charges or SLDC charges on any day within a period of 30 days of presentation of bills, a sliding rebate upto 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Penalties paid, if any, by the Generating Company or Licensee shall not be allowed as an expense for the Generating Company or Licensee.
32.	**Delayed Payment Surcharge**	In case the payment of bills of generation Tariff by the Beneficiary is delayed beyond a period of 60 days from the date of billing, delayed payment Surcharge at the rate of 1.50% per month on the billed amount shall be levied by the Generating Company for the period of delay reckoning from the due date.
33.	**Foreign Exchange Rate Variation**	Every Generating Company, the Transmission Licensee, SLDC and the Distribution Licensee shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
34.	**Regulatory Asset**	The Regulatory Asset so created along with carrying cost shall be liquidated in maximum 7 years' period immediately following the year in which it is created. The carrying cost of the regulatory asset shall be in line with interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.
35.	**Tariff income**	Income of the Generating Company arising out of all the charges determined by the Commission for generation shall be considered as tariff income.
36.	**Other revenue**	• All revenues including charges for unauthorized use of electricity and money realized through compounding, other than tariff revenue shall be grouped as other revenue. • For the electricity supply to the housing colonies or townships for its operating staff drawn from the Power Station/Sub-Station bus bar, a separate account shall be maintained by the Generating Company for such energy supply and revenue thereof recognised at the rate as per applicable tariff shall be reported annually to the Commission in the ARR/tariff petition, wherever applicable.
37.	**Surcharge and additional surcharge**	Surcharge and additional surcharge shall be considered as income and treated in the manner as may be specified by the Commission.
38.	**Income from Other Business**	Revenue from other business shall be treated as income to the extent authorized by the Commission.
39.	**Sharing of Clean Development Mechanism (CDM) credit**	The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely- • 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be; • 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 or the transmission licensee, as the case may be, and the beneficiaries.

40.	**Non-Tariff Income**	The amount of Non-Tariff Income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generation Company
41.	**Unscheduled Interchange (UI) charges (Intra State ABT scenario)**	UI charges for intra-state transactions will arise after intra-state ABT is notified by the Commission and becomes effective. Variation between actual generation and scheduled generation shall be accounted for through Unscheduled Interchange (UI) Charges. UI for a generating station shall be equal to its actual generation minus its scheduled generation.
42.	**Norms of operation for Hydro Generating Stations**	1. The following Normative annual plant availability factor (NAPAF) shall apply to hydro generating station: a. Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt : 90%. b. In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF. c. Pondage type plants where plant availability is significantly affected by silt: 85%. d. Run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant. 2. A further allowance of 5% may be allowed for difficulties in North East Region.
43.	**Auxiliary Energy Consumption**	1. Surface Hydroelectric Power Generating Stations • With rotating exciters mounted on the generator shaft - 0.7%. • With static excitation system: 1%. 2. Underground hydro Generating Station • With rotating exciters mounted on the generator shaft - 0.9%. • With static excitation system: 1.2%.
44.	**Transformation losses**	From generation voltage to transmission voltage - 0.5% of energy generated.
45.	**General use of Plant and Equipment**	For general use of Plant and Equipment, the Company should refer to their O&M Manual and for preventive maintenance it should restrict to the CEA recommendations of best practices in Operation and maintenance of hydro power plants- best practices in Operation and Maintenance of Hydro power plants.
46.	**Sale of Infirm Power**	Supply of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for from the regional or State UI pool account at the applicable frequency-linked UI rate.
47.	**Incentive**	• Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual energy generation in excess of ex-bus energy corresponding to target Plant Load Factor. • The Incentive amount shall be computed and billed on monthly basis based on the cumulative Plant Load Factor till the respective month in a Year, subject to adjustment at the end of the year.
48.	**Scheduling, Accounting and Billing**	1. **Scheduling:** The methodology for scheduling and dispatch for the generating station shall be in accordance with the provisions of the State Grid Code. 2. **Metering and Accounting:** The provisions of the State Grid Code shall be applicable. 3. **Billing and Payment of Charges:** The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations including pumped storage, shall be done on a monthly basis.

ASSAM ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for determination of Multi Year Tariff) Regulations, 2018, Dated: 28.06.2019

S. No.	Description	Summary
1.	**Control Period**	3 – Years (From 1st April, 2019 to 31st March, 2019) • In case any generating station gets commissioned after notification of these Regulations but before commencement of the first Control Period, the Commission may determine the tariff based on the norms as specified for such generating station under these Regulations, under special case through separate Order. • In case of substantial difference between the estimates earlier provided / considered for determination of baseline values and the actual audited accounts, the Commission may re-determine the baseline values for the base year suo-moto or on an application filed by the Applicant.
2.	**Scope**	• The objective of these Regulations is to specify the terms and conditions for the determination of tariffs by the Assam Electricity Regulatory Commission for the supply of electricity by a generating company to a distribution licensee, for transmission of electricity, for wheeling of electricity and for retail sale of electricity, and SLDC. • Anything contained in these Regulations, the Commission shall adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.
3.	**Multi-Year Tariff Framework**	• Before commencement of Control Period, a forecast of the Aggregate Revenue Requirement and expected revenue from existing tariff and charges shall be submitted by the applicant and approved by the Commission. • In its tariff petition, a generating company shall submit information to support the determination of tariff for each generating station. • True up of the past years based on audited annual accounts of the licensees and the Generation companies. • The tariff determined by the Commission and the directions given in the MYT order shall be the quid pro quo and mutually inclusive.
4.	**Capital Investment Plan**	• The Capital Investment plan should be realistic in nature, the Capital Investment plan may be mainly of the following parts: 1. Plans which will be implemented under some tied up schemes or funding has already been arranged 2. Capital Investments which will get covered by some upcoming schemes/expected funding 3. Other priority based investments required to be undertaken, but no scheme/funding is available for them. • In case during execution of the project, the Capital Expenditure is estimated to cross 110% of the approved limit, the Licensee or company will need to take prior approval of the Commission before moving ahead with that expenditure.
5.	**Forecast of Aggregate Revenue Requirement**	1. The applicant shall develop the forecast of Aggregate Revenue Requirement using the assumptions relating to the behavior of individual variables that comprise the Aggregate Revenue Requirement during the Control Period. 2. Forecast of expected revenue from tariff and charges. 3. The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.
6.	**Specific trajectory for certain variables**	The Commission shall stipulate a trajectory while approving the MYT Petition for certain variables having regard to the reorganization, restructuring and development of the electricity industry in the State.
7.	**Annual Performance Review and True Up**	• The Generating company, Transmission Licensee and the Distribution Licensee shall file an application for annual performance review of current year, true-up of previous year and tariff for the ensuing year not less than 120 days before the close of each year of the control period.

		• The scope of the Annual Performance review and True up shall be a comparison of the actual performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise the following: True Up and Annual Performance Review. • Upon completion of the True-Up and Annual Performance Review, the Commission shall pass an order recording: 1. The approved aggregate gain or loss to the Generating Company or Transmission Licensee or Distribution Licensee or SLDC on account of controllable items and the amount of such gains or such losses that may be shared. 2. The approved modifications to the forecast of the Generating Company or Transmission Licensee or Distribution Licensee or SLDC for the ensuing financial year; and 3. Revision of estimates for the ensuing financial year, if required, based on the audited financial results for the previous financial year.
8.	**Suo Motu**	• The Commission shall, at all times, have the authority, either Suo-Motu or on a petition filed by any interested or affected party, to determine the Tariff, including terms and conditions thereof, of Generation Company, Transmission Licensee, SLDC and Distribution Licensees and shall initiate the process of such determination in accordance with the procedure as specified. • The proceedings for such determination of Tariff, including terms and conditions thereof, shall be in the same manner as set out in the AERC (Conduct of Business Regulations) 2004, as amended from time to time.
9.	**Review at the End of Control Period**	• At the end of the control period, the Commission shall review the achievement of objectives and implementation of the principles of MYT laid- down in these Regulations. • The end of the one control period may be the beginning of the next control period or as decided by the Commission.
10.	**Determination of Generation Tariff**	**Existing Generating Station:** • Where the Commission has, at any time prior to the date of effect of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating Unit/Station, then the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as approved or adopted by the Commission. • Where, as at the date of effect of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating Unit/Station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, then the supply of electricity by such Generating Company to the Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission. **New Generating Stations:** The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with tariff as per power purchase agreement approved by the Commission, except if such power purchase agreement has been exempted from requiring such approval. **Own Generating Stations:** • Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to its Retail Supply Business shall be determined by the Commission. • The Commission shall adopt the tariff for supply of electricity by a Generating Company to a Distribution Licensee if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.
11.	**Determination of Tariff for Transmission, Distribution Wheeling Business, Retail Supply Business and SLDC**	• The Commission shall determine the tariff for Transmission, Distribution Wheeling Business, Retail Supply Business and SLDC based on an application made by the Licensee in accordance with the procedure. • The applicant shall furnish to the Commission all such books and records (or certified true copies thereof), including the Accounting Statements, operational

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• The Commission may, if it considers necessary, make or cause to be made available to any person, at any time, such information as has been provided by the applicant to the Commission including abstracts of such books and records (or certified true copies thereof) on such terms and conditions as may be specified in the AERC (Conduct of Business) Regulations, 2004, as amended from time to time.</td></tr>
<tr><td>12.</td><td>Time limit for making an application for determination of Tariff</td><td>Time Schedule for various activities for the Control Period:
<table>
<tr><th>S. No.</th><th>Description</th><th>Filing of the Document</th><th>Obtaining additional information and acceptance by the Commission</th><th>Approval of the Document by the Commission</th></tr>
<tr><td>1.</td><td>Filing of MYT Petition (ARR and Tariff Proposal for the control period) along with Capital Investment Plan</td><td>By 30th November of the year preceding the first year of the control period</td><td>Within 45days of filing of document</td><td>Within 120 days of the admission of the petition</td></tr>
<tr><td>2.</td><td>Annual Performance Review/ True-up</td><td>By 30th November of each year of the control period</td><td>Within 45 days of filing of document</td><td>Within 120 days of admission of the petition</td></tr>
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<tr><td>13.</td><td>Tariff Order</td><td>The tariffs so determined shall be in force from the date specified in the said Order and shall, unless amended or revoked, continue to be in force for such period as may be stipulated therein.</td></tr>
<tr><td>14.</td><td>Communication of Tariff Order</td><td>The Commission shall, within 7seven days of passing the Order, send a copy of the Order to the Government of Assam, the CERC, the CEA, concerned licensees and generating company. The Commission shall also make available copy of the said Order to any person on payment of a fee fixed by the Commission.</td></tr>
<tr><td>15.</td><td>Adherence to Tariff Order</td><td>• No tariff or part of any tariff may be ordinarily amended, more frequently than once in the year, except in respect of any changes expressly permitted under the terms of fuel and power purchase price adjustment as may be specified in under the AERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2010 and Amendments if any, on account of fuel cost and power purchase cost.
• If any Generating Company or Transmission Licensee or Distribution Licensee or SLDC recovers a price or charge exceeding the tariff determined under Section 62 of the Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the base rate of the State Bank of India without prejudice to any other liability incurred by such Generating Company or Transmission Licensee or Distribution Licensee or SLDC.</td></tr>
<tr><td>16.</td><td>Power Procurement Guidelines</td><td>The Distribution Licensee shall undertake its power procurement during the year in accordance with the power procurement plan for the Control Period, which may include long-term, medium-term and short-term power procurement, approved by the Commission in accordance with these Regulations.</td></tr>
<tr><td>17.</td><td>Power Procurement Plan</td><td>• The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply for the Control Period and submit such plan to the Commission for approval.
• Power procurement plan shall be submitted for the Control Period commencing on April 1 of the first year of the respective Control Period.
• The forecasts/ estimates shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future.
• Where the Commission has stipulated a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from co-</td></tr>
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		generation and renewable sources of energy, the power procurement plan of such Distribution Licensee shall include the plan for procurement from such sources at least upto the stipulated level. • The Distribution Licensee shall be required to forward a copy of the power procurement plan to the State Transmission Utility for verification of its consistency with the transmission system plan for the intra-State transmission system, prepared in accordance with the AERC (Terms and Conditions for Open Access) Regulations, 2005, as amended from time to time.
18.	**Approval of power purchase agreement/arrangement**	• Every agreement or arrangement for power procurement by a Distribution Licensee from a Generating Company or Licensee or from other source of supply entered into after the date of effect of these Regulations shall come into effect only with the prior approval of the Commission. • The Commission shall review an application for approval of power procurement agreement/arrangement having regard to the approved power procurement plan of the Distribution Licensee.
19.	**Additional Short-term power procurement**	• Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year). 1. If the total power purchase cost for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission. 2. The proposed short-term power procurement shall be in accordance with the AERC (Fuel and Power Purchase Price Adjustment Formula) Regulations, 2010 and amendments thereof. • Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission. • The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure. • Within fifteen (15) days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified.
20.	**Capital Cost and capital structure**	• Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed. • Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified. • Adjustment of any revenue earned by the transmission licensee by using the assets before COD. • The cost of the common assets forming part of the project, should be considered based on the suitable allocation and such allocated cost shall form part of the capital cost. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • In case the site of a Hydro Generating Station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a transparent process of bidding, any expenditure incurred or committed to be incurred including the premium payable to the State Government by the project developer for getting the project site allotted, shall not be included in the capital cost. • The capital cost in case of such hydro Generating Station shall include: 1. cost of approved Rehabilitation and Resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

		2. cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area. • The capital cost may include initial spares which shall be capitalized as a percentage of the Plant and Machinery cost upto the cut-off date, subject to the following ceiling norms • Hydro generating stations including pumped storage hydro generating station – 4.0% • Transmission system ➢ Transmission line – 1.0% ➢ Transmission Sub-station (Green Field) – 4.0% ➢ Transmission Sub-station (Brown Field) – 6.0% ➢ Series Compensation devices and HVDC Station – 4.0% ➢ Gas Insulated Sub-station (GIS) – 5.0% ➢ Communication System – 3.5% • The following shall be excluded or removed from the capital cost of the existing and new project: • The assets forming part of the project, but not in use; ➢ Decapitalisation of Asset; ➢ In case of hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding; and ➢ The proportionate cost of land which is being used for generating power from generating station based on renewable energy.
21.	**Renovation & Modernisation**	• The generating company or the transmission licensee, as the case may be, for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the generating station or a unit thereof or the transmission system, shall make an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, record of consultation with beneficiaries and any other information considered to be relevant by the generating company or the transmission licensee. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
22.	**Interest during Construction (IDC)**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD. • In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company or the transmission licensee as the case may be, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds. • Only IDC on actual loan may be allowed beyond the SCOD to the extent, the delay is found beyond the control of generating company or the transmission licensee, as the case may be, after due prudence and taking into account prudent phasing of funds.
23.	**Incidental Expenditure during Construction (IEDC)**	• Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD. • In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company or the transmission licensee as the case may be, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee.
24.	**Treatment of Consumer contribution, Deposit**	The following nature of work carried out by the Transmission Licensee or Distribution Licensee shall be classified under this category:

	work and Grant	• Works after obtaining a part or all of the funds from the users in the context of deposit works. • Capital works undertaken by utilising grants received under various schemes / programs of the State and Central Governments. • Any other grant of similar nature and such amount received without any obligation to return the same and with no interest costs attached to such subvention.
25.	**Debt-Equity Ratio**	• For a project declared under commercial operation on or after April 1, 2019, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Generating Company, Transmission Licensee and Distribution Licensee. • In case of retirement or replacement of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of the retired or replaced asset. • Any expenditure incurred or projected to be incurred on or after April 1, 2019, as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension, shall be serviced in the manner specified in this Regulation.
26.	**Depreciation**	• The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. • In hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site. • Capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff. • Land, other than the land held under lease and the land for reservoir in case of hydro Generating Station, shall not be a depreciable assets and its cost shall be excluded from the capital cost while computing depreciable value of the assets. • Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.
27.	**Return on Equity Capital**	Return on equity shall be computed at the rate of 15.5% for Generating Stations, Transmission Licensee and SLDC and at the rate of 16.00% for Distribution Licensee on a post-tax basis.
28.	**Interest on loan capital**	• In case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of 70% (or actual loan component based on documentary evidence, if it is higher than 70%) of the original cost of the retired or replaced assets. • The normative loan outstanding as on April 1, 2019, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2019, from the gross normative loan. • The repayment for each year of the Control period shall be deemed to be equal to the depreciation allowed for that year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or the Distribution Licensee or SLDC. • The utility shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1. • The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.
29.	**Tax on Income**	Income Tax, if any, on the income stream of the regulated business of Generating Companies, Transmission Licensees, Distribution Licensees and SLDC shall be reimbursed to the Generating Companies, Transmission Licensees, Distribution Licensees and SLDC as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check.
30.	**Interest on Working Capital**	• Rate of interest shall be at interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the

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Transmission& SLDC/ Distribution Wheeling Business: Rate of interest shall be at interest rate equivalent to the normative interest rate of three hundred (300) basis points above the average State Bank of India MCLR (One Year Tenor) prevalent during the last available six months for the determination of tariff.</td></tr>
<tr><td>31.</td><td>Prior Period Expenses</td><td>The utility may submit to the Commission the prior period expenses as a part of the filing for truing up.
The Commission may allow prior period expenses for uncontrollable cost items only as per the audited accounts during truing up subject to prudence check.</td></tr>
<tr><td>32.</td><td>Petition for determination of generation tariff</td><td>A Generating Company is required to file a Petition for determination of tariff for supply of electricity to Distribution Licensees.
Where the tariff is being determined for Stage or Unit of a Generating Station, the Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all Stages or Units, as the case may be.
A Generating Company may make a Petition for determination of provisional tariff in advance of the anticipated Date of Commercial Operation of Unit or Stage or Generating Station as a whole, as the case may be, based on the capital expenditure actually incurred up to the date of making the Petition or a date prior to making of the Petition, duly audited and certified by the statutory auditors/independent auditor and the provisional tariff shall be charged from the date of commercial operation of such Unit or Stage or Generating Station, as the case may be.
A Generating Company shall make a fresh Petition in accordance with these Regulations, for determination of final tariff based on actual capital expenditure incurred up to the date of commercial operation of the Generating Station duly certified by the statutory auditors based on Annual Audited Accounts.</td></tr>
<tr><td>33.</td><td>Components of Tariff</td><td>The tariff for sale of electricity from a Hydro Generating Station shall comprise of two parts, namely, the recovery of Capacity Charge and Energy Charge.</td></tr>
<tr><td>34.</td><td>Sale of Infirm Power</td><td>The tariff for sale of infirm power for Hydro Stations to the Distribution Licensee shall be the lowest energy rate of the existing hydro-station in the state and the revenue recovered from sale of inform power shall be deducted from the capital cost.</td></tr>
<tr><td>35.</td><td>Non - Tariff Income</td><td>Generation Company shall submit full details of its forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to time.</td></tr>
<tr><td>36.</td><td>Norms of operation for Hydro Generating Stations</td><td>The norms of operation as given hereunder shall apply for existing hydro stations in the state:
<table>
<tr><th>Parameters</th><th>KLHEP</th></tr>
<tr><td>NAPAF</td><td>85%</td></tr>
<tr><td>PLF</td><td>44.5%</td></tr>
<tr><td>Auxiliary Consumption</td><td>0.50%</td></tr>
</table>
The norms of operation for hydro generating station except those specified in Regulation
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Normative Annual Plant Availability Factor</th></tr>
<tr><td>a)</td><td>Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt</td><td>90%</td></tr>
<tr><td>b)</td><td>Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt</td><td>Month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.</td></tr>
<tr><td>c)</td><td>Pondage type plants where plant</td><td>85%</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>

<table>
<tr><td></td><td>availability is significantly affected by silt</td><td></td></tr>
<tr><td>d)</td><td>Run-of-river type plants</td><td>To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant</td></tr>
</table>

Auxiliary Energy Consumption:
• Surface Hydro electric power Generating Stations
➢ With rotating exciters mounted on the generator shaft - 0.7%
➢ With static excitation system: 1%
• Underground hydro Generating Station
➢ With rotating exciters mounted on the generator shaft - 0.9%
➢ With static excitation system: 1.2%
Transformation losses: From generation voltage to transmission voltage - 0.5% of energy generated.</td></tr>
<tr><td>37.</td><td>Operation and Maintenance cost (O&M)</td><td>Hydro Generating Stations:
• Existing Hydro Generating Stations
The O&M charges for existing hydro generating stations shall be computed similar to the methodology detailed in Regulation 50.1.
• New Hydro Generating Stations
➢ O&M expenses for first year of operation shall be specified as 2% of the original project cost (excluding cost of rehabilitation and resettlement works) for the first year of operation.
➢ The O&M expenses for each subsequent year shall be determined by escalating the base expenses determined above, at the escalation factor of 6.64%.</td></tr>
<tr><td>38.</td><td>Incentive</td><td>• Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual energy generation in excess of ex-bus energy corresponding to target Plant Load Factor.
• The Incentive amount shall be computed and billed on monthly basis based on the cumulative Plant Load Factor till the respective month in a Year, subject to adjustment at the end of the year.</td></tr>
<tr><td>39.</td><td>Computation and Payment of Annual Fixed Charges and Energy Charges for Hydro Generating Stations</td><td>• The Annual Fixed Charges of a Hydro Generating Station shall be computed on annual basis, based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and ,Energy Charge, which shall be payable by the beneficiaries in proportion to their respective share in the capacity of the Generating Station.
• In addition to Annual Fixed Charges to be recovered through Capacity Charge and Energy Charge, the Lease Rent and Water Royalty shall be payable by the beneficiaries in proportion to their respective share in the capacity of the Generating Station on monthly basis.
• In case the actual saleable energy in a year exceeds {DE x (100 – AUX) * (100-FEHS) / 10000} MWh, the Energy Charge for the energy in excess of the above shall be billed equal to the lowest variable charges of the central sector thermal power generating stations in the north east region.
• The Assam State Load Despatch Centre shall finalise the schedules for the hydro Generating Stations, in consultation with the beneficiaries, for optimal utilization of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the Generating Station.

Pumped Storage Hydro Generating Stations:-
• The fixed cost of a pumped storage hydro generating station shall be computed on annual basis, based on norms specified under these regulations, and recovered on monthly basis as capacity charge. The capacity charge shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, i..e, the capacity excluding the free power to the home State.
• The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary in excess of the design energy plus 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, at a flat rate equal to the average energy charge rate of 20 paise per kWh, excluding free energy, if any, during the calendar month, on ex power plant basis.</td></tr>
</table>

		• The generating company shall maintain the record of daily inflows of natural water into the upper elevation reservoir and the reservoir levels of upper elevation reservoir and lower elevation reservoir on hourly basis. The generator shall be required to maximize the peak hour supplies with the available water including the natural flow of water.
40.	**Scheduling**	As per Assam Electricity Grid Code Regulations/CEA technical standards for Connectivity to the Grid Regulations and the intra state Availability Based Tariff regulations to be notified by the Commission as amended from time to time. Until the intra-State Availability Based Tariff regulations are notified by the Commission CERC Availability Based Tariff regulations would be applicable
41.	**Deviation Settlement Mechanism Charges**	DSM charges for intra-state transactions will arise after intra-state ABT is notified by the Commission and becomes effective.
42.	**Metering and Accounting**	• Metering arrangements, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on time block basis shall be organised by the State Transmission Utility/ State Load Despatch Centres. • The cost of additional investment required for metering and metering equipment for the purpose of implementing intra state ABT shall be allowed to be passed through.
43.	**Demonstration of declared capacity**	• In the event of the Generating Company failing to demonstrate the declared capacity, the capacity charges due to the Generating Company shall be reduced as a measure of penalty. • The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days. For the third mis-declaration, the penalty shall be equivalent to fixed charges for eight days and similarly for subsequent mis-declarations in the year, the penalty shall be computed progressively.
44.	**Billing and Payment of Charges**	• The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations shall be done on a monthly basis. • In case the payment of bills is delayed beyond a period of two (2) months from the date of billing, a late payment surcharge at the rate of 1.25 per cent per month shall be allowed to be levied by the Generating Company. • For payment of bills of the generating company through letter of credit or otherwise, a rebate of 1% shall be allowed if payment is made within 7 days of presentation of bills by the Generating Company.
45.	**Transmission system access charges**	• Any person who is eligible to apply for access to the intra-State transmission system shall be entitled to obtain such access in accordance with the AERC (Terms and Conditions for Open Access) Regulations, 2005, as amended from time to time and shall be liable to pay the charges for obtaining such access as specified in this Regulation. • Where any works for obtaining access has been carried out by the intending Transmission System User, the Transmission Licensee shall be entitled to recover supervision charges at the rate of 15 per cent of the cost of labour employed for carrying out such works and shall not be entitled to recover any other expenses with regard to such works carried out by the intending Transmission System User. • Where the Transmission System User has paid for the works carried out to provide him access to the intra-State transmission system, the Transmission System User shall be entitled to the depreciated value of such works paid for by him upon termination of the Bulk Power Transmission Agreement.
46.	**Annual transmission charges for each year of the Control Period**	The annual transmission charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of aggregate revenue requirement or application for adoption of annual transmission charges in case of competitively awarded transmission system project, as the case may be, made by the Transmission Licensee.
47.	**Capital Investment Plan**	• Separate prior approval of the Commission shall be required for all capital expenditure schemes of a value exceeding Rs. 10Crore. • The Transmission Licensee shall submit, along with the MYT Petition or along with the Petition for Annual Performance Review, as the case may be, details showing the progress of capital expenditure projects, together with such other information, particulars or documents as the Commission may require to assess such progress.

48.	**Norms for operation**	• Target availability for full recovery of annual transmission charges ➢ AC system : 98 per cent ➢ HVDC bi-pole links & HVDC back to back stations : 95 per cent • For incentive consideration: ➢ AC system : 98.5 per cent ➢ HVDC bi-pole links & HVDC back to back stations : 96 per cent • For new HVDC station NATAF shall be considered as 95% for first three years of operations for the purpose of incentive. • No incentive shall be payable above the availability of 99.75%.
49.	**Non-Tariff Income**	The amount of non-tariff income relating to the Transmission Business as approved by the Commission shall be deducted from the aggregate revenue requirement in determining annual transmission charges of the Transmission Licensee
50.	**Income from Other Business**	Where the Transmission Licensee has engaged in any Other Business, an amount equal to one-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the aggregate revenue requirement in calculating the annual transmission charges of the Transmission Licensee.
51.	**Open Access Transactions**	All the matters related to Open Access Transactions shall be dealt in accordance with Assam Electricity Regulatory Commission (Terms and Condition for Open Access) Regulations, 2005 as applicable and as amended from time to time.
52.	**Transmission losses**	The energy losses in the transmission system of the Transmission Licensee, as determined by the State Load Despatch Centre and approved by the Commission, shall be borne by the Transmission System Users pro-rata to their usage of the intra-State transmission system.
53.	**Payment Modalities and Payment Security**	• The monthly bill for transmission tariff for each calendar month shall be payable on 14th day of subsequent calendar month by the TSUs. • Where there is delay in payment by any TSU, late payment surcharge at the rate of 1.25% per month or part thereof shall be applicable. • For payment of bills of the transmission licensee through letter of credit or otherwise, a rebate of 1% shall be allowed if payment is made within 7 days of presentation of bills by the Transmission Licensee.
54.	**Separation of Accounts**	• The distribution licensee shall segregate the accounts of the licensed business into Wheeling Business and Retail Supply Business and submit separate ARRs for respective businesses. • The ARR for wheeling business shall be used to determine wheeling charges recoverable from open access consumers and the ARR for Retail Supply Business to determine retail supply tariff for sale of electricity to different categories of consumers of the licensee which will be inclusive of wheeling charges.
55.	**Wheeling Losses**	The Distribution Licensee shall be allowed to recover, in kind, the approved level of technical losses arising from the operation of the distribution system.
56.	**Wires Availability**	• The target Wires Availability for full recovery of Return on Equity Capital for Wheeling Business shall be as under: ➢ Rural Areas: 90 percent ➢ Towns and cities: 95 percent • For every 1 percent under-achievement in Wires Availability, Rate of Return on Equity Capital shall be reduced by 0.1%. • For every 1 percent over-achievement in Wires Availability, Rate of Return on Equity Capital shall be increased by 0.1%.
57.	**Sales Forecast**	The Distribution Licensee shall submit a monthly forecast of the expected sales of electricity to each tariff category/sub-category and to each tariff slab within such tariff category/sub-category to the Commission for approval along with the MYT Petition, as specified in these Regulations.
58.	**Provision for Bad and doubtful debts**	• The Commission may allow a provision for bad and doubtful debts upto 1% of the amount shown as receivables in the audited accounts of the Distribution Licensee, duly allocated for the Supply Business. • Where the amount of such provisioning for bad and doubtful debts exceeds five (5) per cent of the amount shown as receivables in the audited accounts of the Distribution Licensee duly allocated for the Wheeling Business, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.

59.	**Receipts on account of cross-subsidy surcharge**	The amount received by the Distribution Licensee by way of cross-subsidy surcharge, as approved by the Commission in accordance with the AERC (Terms and Conditions for Open Access) Regulations 2005, as amended from time to time, shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by such Distribution Licensee.
60.	**Distribution Losses**	The Distribution Licensee shall be allowed to recover the approved level of distribution losses arising from the Retail Supply of electricity, excluding wheeling losses.
61.	**Supply Availability**	• Supply Availability shall comprise of the following parameters in the proportion as mentioned below: ➢ Base load Supply Availability 75 % ➢ Peak load Supply Availability 25 % • Target Supply Availability for full recovery of Return on Equity Capital for Retail Supply of electricity is in the range of 85 % to 95 %, as may be determined by the Commission. • For every 1 %t under-achievement in Supply Availability, rate of Return on Equity Capital shall be reduced by 0.1%. • For every 1 % over-achievement in Supply Availability, rate of Return on Equity Capital shall be increased by 0.1%.
62.	**Levy of SLDC Charges**	All expenses incurred by the SLDC, established by the State Government, shall be accounted for separately.
63.	**Basis for collection of SLDC charges**	• The annual SLDC charges as determined by the Commission shall be allocated between the Beneficiaries using the intra-State transmission system on the basis of contracted transmission capacity. • SLDC shall be entitled to levy and collect fee and charges for any other services rendered to the users and power exchanges as specified in any other regulations. • The Short-term open access customers using the intra-State transmission system shall however pay only such scheduling charges to the SLDC as may be specified by the Commission.
64.	**Sharing of CDM Benefits**	The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely- • 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system or the distribution system, as the case may be; • 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 or the transmission or distribution licensee, as the case may be, and the beneficiaries.

BIHAR ELECTRICITY REGULATORY COMMISSION

(Terms and conditions for determination of Tariff) Regulations, 2007, Dated: 24.04.2007 with amendments Dated: 31.08.2012, 26.03.2014

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• Where tariff for generation and transmission has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act. • These regulations shall be applicable in all other cases.
3.	**Application for determination of tariff**	• A generating company may make an application before the Commission for determination of tariff in respect of completed units of the generating stations. • In the case of existing generating station or generating company shall make an application for determination of tariff as per the formats given in these Regulations. The Commission may make appropriate modifications from time to time in the formats, as it deems fit. • In case of a generating station declared under commercial operation on or after the notified date of these Regulations an application for determination of tariff shall be made in two stages, namely: ➢ **Stage I:** A generating company may make an application as per the formats specified by the Commission for determination of provisional tariff in advance of the anticipated date of completion of the project based on the capital expenditure actually incurred upto the end of the month preceeding to the date of making of the application, accompanied by annual accounts of the financial year ending prior to the date of application duly audited and certified by the statutory auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective unit of the generating station or the transmission system. ➢ **Stage II:** A generating company shall make a fresh application in the same format, as above, for determination of final tariff based on the actual capital expenditure incurred upto the date of commercial operation of the generating station or the transmission system, duly audited and certified by the statutory auditors.
4.	**Core business**	For the purpose of these regulations, core business means the regulated activities of generation or any regulated business and does not include any other business or activity of an integrated utility or a generating company or a transmission licensee or a distribution licensee.
5.	**Tariff determination**	• Tariff in respect of a generating station under these regulations shall be determined stage – wise, unit – wise or for the whole generating station. • For the purpose of determination of tariff, the capital cost of generation project shall be broken up into stages and by distinct units forming part of the project. • In the case of multi – purpose hydro – electric projects with irrigation, flood control etc, the power component of the project only shall be considered for determination of tariff.
6.	**Deviation from norms**	The tariff for sale of electricity by an integrated utility or a generating company may also be fixed in deviation of the norms specified in these regulations subject to the conditions that: ➢ The overall unit tariff rate over the entire life of the asset, calculated on the basis of the norms in deviation, does not exceed the tariff per unit calculated on the basis of the norms specified in these regulations; and ➢ Any such deviation shall come into effect from the date of approval by the Commission.
7.	**Multi-Year Tariff principles and guidelines**	The Commission may, as and when it considers appropriate, issue guidelines for filing Revenue Requirement and Tariff Proposals for a period in excess of a financial year and unless waived by the Commission, an integrated utility / a generating company shall follow such guidelines issued by the Commission.

8.	**Charging of permissible tariff**	• An integrated utility / a generating company shall not charge tariff in excess of the tariff fixed by the Commission. • If any integrated utility or a generating company recovers a price or charge exceeding the tariff determined by the Commission, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the Bank rate without prejudice to any other liability incurred by the integrated utility or generating company.
9.	**Excess or under recovery with respect to norms / targets**	• The generating company shall retain the entire gain arising from over achievement of the norms / targets laid down by the Commission from time to time. • The generating company shall bear the entire loss an account of its failure to achieve the norms / targets laid down by the Commission from time to time.
10.	**Cross Subsidy**	• In the first phase, the Commission shall determine the tariff so that it progressively reflects the combined average cost of supply of electricity and also reduce and eliminate cross subsidies within a reasonable period. • In the second phase, the Commission shall consider moving towards category – wise cost of supply as a basis for determination of tariff.
11.	**Subsidy**	• The State Government may, at any time as it considers appropriate, propose any subsidy to any consumer or classes of consumers in the tariff determined or to be determined by the Commission, pay, in advance and in such manner as may be specified, the amount to compensate the licensee affected by the grant of subsidy in the manner and terms and conditions for such payment of subsidy as the Commission may direct. The State Government shall send a proposal for this purpose to the Commission. • If the payment of subsidy is not made by the State Government, the amount, which the State Government has failed to pay, shall be added in the tariff and charged to the concerned class or classes of consumers.
12.	**Tax on income**	• Tax on income of an integrated utility or a generating company, as the case may be, from its core business, shall be computed as an expense and shall be recovered from the beneficiaries or consumers. • Under – recovery or over – recovery of any amount from the beneficiaries or the consumers on account of such tax, having been passed on to them shall be adjusted every year on the basis of income-tax assessment, as certified by the statutory auditors. An integrated utility or the generating company, as the case may be, may make such adjustments directly.
13.	**Extra Rupee Liability**	• Extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign debt and actual foreign debt, as the case may be, in the relevant year shall be permissible provided it arises directly due to Foreign Exchange Rate Variation. • The integrated utility or the generating company o shall recover the foreign exchange rate variation on a year to year basis as income or expense for the period in which it arises.
14.	**Periodicity of tariff determination and revision thereof**	No tariff or any part thereof shall ordinarily be amended more frequently than once in any financial year, except in respect of any charges expressly permitted under the terms of the Fuel and Power Purchase Cost Adjustment formula as specified in the Schedule appended to these Regulations.
15.	**Review and Truing up**	• The Commission shall undertake a review along with next Tariff Order, of the expenses and revenues approved by the Commission in the current year Tariff Order. While doing so, the Commission shall consider variations between approvals and revised estimates / pre-actuals of the sale of electricity, income and expenditure for the relevant year and permit necessary adjustments / changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called 'Review'. • While approving adjustments towards revenue / expenses in future years, arising out of Review / Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses / revenues, Carrying costs shall be limited to the interest rate approved for working capital borrowings.

<table>
<tr><td>16.</td><td>Objection for recovery of income – tax and foreign exchange rate variation</td><td colspan="2">In case of any objection from the beneficiaries or the consumers for the recovery / adjustment as, the integrated utility or generating company, as the case may be, may make an application to the Commission for a decision.</td></tr>
<tr><td>17.</td><td>Regulatory Asset</td><td colspan="2">The Regulatory Asset so created along with carrying cost shall be liquidated in a maximum of 3 years' period immediately following the year in which it is created.</td></tr>
<tr><td>18.</td><td>Tariff of Electricity Trader</td><td colspan="2">• The Commission shall approve the tariff for Power Purchase and procurement by the Distribution licensee from the Electricity Trader.
• The Commission shall, from time to time, fix the trading margin of the Electricity Trader for intra – state trading in electricity in the State of Bihar.</td></tr>
<tr><td>19.</td><td>Generation Tariff</td><td colspan="2">• The Commission may approve the tariff for the power purchase except central sector and procurement by the Distribution licensee from the integrated utility or a generating company.
• The determination of tariff for generation, under this regulation shall not entitle an integrated utility or the generating company to sell energy to the Distribution licensee on long term or on short term basis except in accordance with the Power Purchase Agreement or procurement to be finalised by the Distribution licensee subject to the terms and conditions which the Commission may lay down for the purpose from time to time.</td></tr>
<tr><td>20.</td><td>Normative capacity index for recovery of full capacity charges</td><td colspan="2">• During first year of commercial operation of the generating station:
➢ Purely Run – of – river Power Stations 85%
➢ Storage type and Run-of-river power stations with pondage 80%
• After first year of commercial operation of the generating station
➢ Purely Run – of – river Power Stations 90%
➢ Storage type and Run-of-river power stations with pondage 85%
• There shall be pro-rata recovery of capacity charges in case the generation station achieves capacity index below the prescribed normative levels. At zero capacity index, no capacity charges shall be payable to the generating station.</td></tr>
<tr><td rowspan="4">21.</td><td rowspan="4">Auxiliary Energy Consumption</td><td>Surface hydroelectric power generating station with rotating exciters mounted on generator shaft</td><td>0.2% of energy generated</td></tr>
<tr><td>Surface hydroelectric power generating station with static excitation system</td><td>0.5% of energy generated</td></tr>
<tr><td>Under ground hydro electric power generating station with rotating exciters mounted on the generator shaft</td><td>0.4% of energy generated</td></tr>
<tr><td>Under ground hydro electric power generating station with static excitation system</td><td>0.7% of energy generated</td></tr>
<tr><td>22.</td><td>Capital Cost</td><td colspan="2">Subject to prudent check by the commission, the actual expenditure incurred upto completion of the project shall form the basis for the determination of final tariff. The final tariff shall be based on the admitted capital expenditure actually incurred upto the date of commercial operation of the generating station and shall include capitalised initial spares subject to a ceiling norm of 1.5% of the original project cost as on the cut off date</td></tr>
<tr><td>23.</td><td>Additional Capitalisation</td><td colspan="2">• The following actual capital expenditure incurred within the original scope of work after the date of commercial operation and upto the cut off date may be admitted by the commission subject to prudent check:
➢ deferred liabilities;
➢ works deferred for execution;
➢ procurement of initial capital spares within the original scope of work subject to the ceiling specified under Regulation 50
➢ liabilities to meet award of arbitration or for compliance of the order or decree of a court of law and
➢ on account of change in law.
• Any other expenditure on minor items / assets like tools and tackles, personal computers, furniture, air – conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing machines, heat convectors, carpets, mattresses etc, bought after cut off date shall not be considered for additional Capitalisation for determination of tariff with effect from the notified date of the tariff regulations by the Commission.</td></tr>
</table>

		• Impact of additional Capitalisation in tariff revision may be considered by the Commission twice in a tariff period, including revision of tariff after cut off date.
24.	**Sale of Infirm Power**	Any revenue earned by the integrated utility / generating company from sale of infirm power shall be taken as reduction in capital cost and shall not be treated as revenue. The rate for infirm power shall be the same as the primary energy rate of the generating station.
25.	**Debt equity ratio**	• In case of all generating stations, the debt – equity ratio as on the date of commercial operation shall be 70:30 for determination of tariffs, provided that the commission may in appropriate cases consider equity higher than 30% for purpose of determination of tariff, where the generating company is able to establish to the satisfaction of the Commission that the deployment of equity more than 30% was in the interest of general public. • The debt and equity amount arrived, shall be used for calculation of interest on loan, return on equity, Advance Against Depreciation and foreign exchange rate variation.
26.	**Interest on capital**	• Interest on loan capital shall be computed loan wise on the loans arrived. • In case any moratorium period is availed of by the integrated utility / generating company, depreciation provided for in the tariffs during the period of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly. • The integrated utility or the generating company shall not make any profit on account of swapping of loan and interest thereon.
27.	**Depreciation including Advance Against Depreciation**	
	Depreciation	• The value base for the purpose of depreciation shall be the historical cost of the asset. • The residual value of the asset shall be considered as 10% and the depreciation shall be allowed upto a maximum of 90% of the historical capital cost of the asset. • Land is not a depreciable asset and its cost shall be excluded from the capital cost for purposes of depreciation while computing 90% of the historical cost of the asset. • On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset. • Depreciation shall be chargeable from the first year of operation of the asset. For part of the year, depreciation shall be charged on pro rata basis.
	Advance Against Depreciation (AAD)	In addition to allowable depreciation, the integrated utility / generating company shall be entitled to Advance Against Depreciation, computed in the manner detailed below: AAD = Loan repayment amount subject to a ceiling of 1/10th of the loan amount minus depreciation as per schedule.
28.	**Return on Equity**	• The return on equity shall be computed on the equity base determined @ 14% per annum. • Equity invested in foreign currency shall be allowed a return upto the prescribed limit in the same currency and the repayment on this account shall be made in Indian Rupee based on the exchange rate prevailing on the due date of billing. • The premium raised by the integrated utility / generating company while issuing share capital and investment of internal resources created out of its free reserve, if any, for funding the project, shall also be reckoned as a paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station and forms part of approved financial package.
29.	**Operation and Maintenance Expenses**	• The operation and maintenance expenses, including insurance, for the existing Hydro electric generating stations which have been in operation for 5 years or more taking the base year as 2007-08, shall be arrived at on the basis of actual operation and maintenance expenses, for the year 2002-03 to 2006-07, based on the audited balance sheets, excluding the abnormal operation and maintenance expenses if any, after prudent check by the Commission.

		• The average of such normalized O&M expenses after prudent check, for the years 2001-02 to 2006-07 shall be escalated at the rate of 4% per annum to arrive at operation and maintenance expenses for the base year 2005-2006. • In case of hydro electric stations, which have not been in existence for a period of 5 years, the O&M expenses shall be fixed at 1.5% of the capital cost as admitted by the Commission and shall be escalated at the rate of 4% per annum from the subsequent years to arrive at the O&M expenses for the base year. • In case of hydro electric generating stations declared under commercial operation on or after the notified date of the tariff regulation by the Commission, the base O&M expenses shall be fixed at 1.5% of the actual capital cost, as admitted by the Commission in the year of Commissioning and shall be subject to annual escalation of 4% per annum for the subsequent years.
30.	**Interest on Working Capital**	Rate of interest on working capital shall be the short-term prime lending rate of State Bank of India as on 1st April of the year in which the generation unit/station is declared under commercial operation. The interest on working capital shall be payable on normative basis notwithstanding that the integrated utility / generating company has not taken working capital loan from any outside agency.
31.	**Primary and Secondary Energy Charges**	• Rate of primary energy for all hydroelectric power generating stations, except for pumped storage generating stations, shall be equal to the lowest variable charges of the central sector thermal power generating station of the concerned region. • Secondary Energy Rate shall be equal to primary energy rate.
32.	**Incentive**	• Incentive shall be payable in case of all generating stations including new generating stations in the first year of operation, when the capacity index (C1) exceeds 90% for purely run-of river power generating stations and 85% for run-of-river power station with pondage or storage type power generating stations and incentive shall accrue upto a maximum capacity index of 100%. • The total incentive payment calculated on annual basis shall be shared by the beneficiaries based on allocated capacity. • In case of Commissioning of hydro electric power generating station or part there-of ahead of schedule as set out in the first approval of the Central Government or the techno-economic clearance of the Authority, as the case may be, the generating station shall become eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on commissioning ahead of schedule.
33.	**Deemed Generation**	• In case of reduced generation due to reasons beyond the control of the integrated utility / generating company or on account of non-availability of transmission licensee's transmission lines or on receipt of backing down instructions from the SLDC resulting in spillage of water, the energy charges on account of such spillage among the beneficiaries shall be in proportion of their shares in saleable capacity of the generating station. • Energy charges on the above account shall not be admissible if the energy generated during the year is equal to or more than the design energy.
34.	**Unscheduled Interchange (UI)**	UI for a generating station shall be equal to its actual generation minus its scheduled generation.
35.	**Rebate**	For payment of bills of capacity charges and energy charges through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payments are made by a mode other than through a letter of credit but within a period of one month of presentation of bills by the integrated utility / generating company, a rebate of 1% shall be allowed.
36.	**Late Payment Surcharge**	In the case of payment of bills of capacity charges and energy charges by the beneficiary or beneficiaries is delayed beyond a period of one month from the date of billing, late payment surcharge at the rate of 1.25% per month or part thereof shall be levied by the generating company / integrated utility.
37.	**Scheduling**	• Integrated utility or the generating company shall make an advance declaration of the capacity of its generating station. The declaration shall be for that capability which can be actually made available for a period of

		time not less than 3 hours within a 24 hours period for pondage and storage type of stations and for the entire day for purely run-of-river type stations. • Generation scheduling shall be done in accordance with the operating procedure as stipulated in the State grid code. • In the case of grid disturbance, the scheduled generation of all the generating stations and scheduled drawls of all the beneficiaries shall be deemed to have been revised to be equal to their actual generation / drawal for all the time blocks affected by the grid disturbance. Certification of grid disturbance and its duration shall be done by the SLDC. • Purely run-of-river power station: Since variations of generation in such stations may lead to slippage, these shall be treated as must run stations. The maximum available capacity, duly taking into account the overload capability, must be equal to or greater than that required to make full use of the available water.
38.	**Demonstration of Declared capability**	• In the event of the integrated utility / generating company failing to demonstrate the declared capacity, within the tolerance as specified by the State Transmission Utility, the capability charges due to the generating station shall be reduced as a measure of penalty. • The quantum of penalty for the first mis-declaration for any duration or block in a day shall be the charges corresponding for two days fixed charges. For the second mis-declaration the penalty shall be fixed charges for four days and for subsequent mis-declarations, the penalty shall be multuplied in geometrical progression.
39.	**Metering and Accounting**	• Metering arrangements shall be organised by the State Transmission Utility / State Load Despatch Centres. • The SLDC shall also in turn forward necessary data / schedules to the regional level in line with the regulations framed by Central Electricity Regulatory Commission. UI accounting procedures shall be in accordance with the orders of the Commission. • In case of a generating station, contracting to supply power to two or more states, the scheduling, metering and energy accounting shall be carried out by the Regional Load Despatch Centre.
40.	**Billing and payment of capacity charges**	Each beneficiary shall pay the capacity charges in proportion to its percentage share in total saleable capacity of the generating station.

CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for determination of tariff according to Multi-Year Tariff principles and Methodology and Procedure for determination of Expected revenue from Tariff and Charges) Regulations, 2015 dated: 09.09.2015 with amendment dated: 16.06.2016

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• These Regulations shall apply to the following persons operating in the State of Chhattisgarh: ➢ The State Transmission Utility (STU); ➢ All generating stations supplying power directly or through State trading licensee(s) to distribution licensees of the State under long term agreement except generating stations which are subject to the jurisdiction of the Central Commission and also such renewable energy generating stations located in the State whose tariff is decided by the Commission under relevant Regulations and orders; ➢ All intra-state transmission licensee(s); ➢ All distribution licensee(s); and ➢ The State Load Despatch Centre (SLDC). • These Regulations will not apply to stand-alone generators, bulk consumers and captive users.
3.	**MYT Framework**	• The Commission in specifying these Regulations is guided by the principles for the determination of tariff for the generating stations in the state, and the National Electricity Policy and the Tariff Policy notified by the Central Government. • **Mid-Term Review:** Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a generating company, is covered under a Multi-Year Tariff framework, then such generating company shall be subjected to a mid-term review during the Control Period in accordance with this Regulation.
4.	**Filing Under MYT**	• The filing under MYT by the generating company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of ARR as specified in these Regulations, in such form as may be prescribed by the Commission from time to time. • An application for Mid-term Review by the generating company under a Multi-Year Tariff framework for the Control Period from April 1, 2016 to March 31, 2021, shall be made to the Commission by 30th June 2018. • Every application for determination of tariff or for continuation of previously determined tariff shall be accompanied by a fee as specified in the prevailing CSERC (Fees and Charges) Regulations, as amended from time to time. The Commission may seek clarification and additional information on the application and the applicant shall provide clarifications and additional information within the date stipulated by the Commission. • MYT Generation Petition shall comprise of: ➢ Truing up for FY 2014-15; ➢ Multi-Year Aggregate Revenue Requirement for each year of the entire Control Period;

		➢ Application for determination of tariff and fees and charges for each year of the entire Control Period. • A generating company may make a Petition for determination of provisional tariff in advance of the anticipated Date of Commercial Operation of unit or stage or generating station as a whole, as the case may be, based on the capital expenditure actually incurred up to the date of making the Petition or a date prior to making of the Petition, duly audited and certified by the statutory auditors and the provisional tariff shall be-charged from the date of commercial operation of such Unit or Stage or Generating station, as the case may be. • A generating company shall make a fresh Petition in accordance with these Regulations, for determination of final tariff based on actual capital expenditure incurred up to the date of commercial operation of the Generating Station duly certified by the statutory auditors based on Annual Audited accounts. • Any difference in provisional tariff and the final tariff determined by the Commission and not attributable to the Generating Company may be adjusted at the time of determination of final tariff for the following year as directed by the Commission.
5.	**Capital Investment Plan**	• The generating company shall file for approval of the Commission a capital investment plan by 31st October 2015. The capital investment plan should cover the entire Control Period, with details for each year of the Control Period. • The capital investment plan may be in respect of new generation projects schemes or system operation for capacity addition/ enhancement or renovation of existing capacities on completion of life or work required due to change in law, or deferred execution of work included in original scope or efficiency improvement or such works which may be expedient for operation of the system. • The Commission shall approve the capital investment plan before issuing the tariff order and shall consider the impact of approved capital investment plan in the tariff order. • In cases, where urgent action is required to mitigate threat to life and property, subject to prior intimation of the nature of urgency, brief about the proposed work and cost estimate, the licensee or the generating company, as the case may be, may take up the urgent work, subject to ex post facto submission of detail application for approval of the Commission.
6.	**Determination of Tariff**	• Notwithstanding anything contained in these Regulations, the Commission shall at all times have the authority, either on suo-motu basis or on a Petition filed by the applicant, to determine the tariff, including terms and conditions thereof, of any generating company. • Tariff in respect of a generating station may be determined for the whole of the generating station or a stage or unit or block of the generating station.
7.	**Truing-Up**	• The generating company shall file an application each year during the Control Period for truing up of its generating stations of the previous year(s) and determination of revenue gap/surplus for the ensuing year, within the time limit specified in these Regulations. • In case the audited accounts are not available, the provisional truing up shall be done on the basis of un-audited/ provisional account and shall be subject to further final truing up, as soon as the audited accounts is available. • Truing up of preceding year(s), prior to commencement of this control period, shall be governed as per applicable

		Regulations/orders (under which tariff order has been passed).
8.	**Mechanism for Pass through of Gains or Losses on Account of Uncontrollable Factors**	The aggregate net gains / losses to the generating company on account of uncontrollable items (as per the Tariff Order) over such period shall be passed on to beneficiaries/consumers through the next ARR or as may be specified in the Order of the Commission passed under these Regulations.
9.	**Mechanism for Sharing of Gains or Losses on Account of Controllable Factors**	The mechanism for sharing of aggregate net gain on account of over achievement in reference to the target set in tariff order for efficiency linked controllable items other than energy losses shall be passed on to the beneficiary / consumer(s) and retained by the generating company, in the ratio of 50:50 or as may be specified in the Order of the Commission passed under these Regulations.
10.	**Tariff Order**	Based on the applicant's filings, the Commission may accept the application, with such modifications and / or such conditions as may be deemed just and appropriate and pass orders within 120 days of receipt of the application.
11.	**Adherence to Tariff Order**	All orders determining tariff shall indicate the period for which it shall be in force and will continue till issue of next tariff order. No tariff or part of any tariff may be ordinarily amended, more frequently than once in any Financial year, except adjustment on account of fuel cost and power purchase based on VCA formula approved by the Commission.
12.	**Subsidy Mechanism**	• If the State Government decides to subsidize any consumer or class of consumers, it shall pay, the amount in advance to compensate the licensee affected by the grant of such subsidy in the manner as specified by the Commission. Provided that no such direction of the State Government to grant subsidy shall be operative if the payment is not made and the tariff fixed by the Commission shall be applicable from the effective date of order issued by the Commission in this regard. • There shall not be any adjustment of the due subsidy against outstanding loans of the State Government.
13.	**Debt Equity Ratio**	• For the generation company a project declared under commercial operation on or after 01.04.2016, if the equity capital actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. • In case of the generating station declared under commercial operation prior to 01.04.2016, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2015 shall be considered.
14.	**Capital Cost and Capital Structure**	• Capital cost for a project shall include: the expenditure incurred or projected to be incurred, including interest during construction, incidental expenses during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan, up to the date of commercial operation of the project, as admitted by the Commission after prudence check. • The capital cost may include capitalized initial spares: Hydro generating stations - 4.00% • Any expenditure on replacement, renovation and modernization or extension of life of old fixed assets, as applicable to generating company shall be considered after writing off the net value of such replaced assets from the original capital cost. • In case of de-capitalisation of assets of a generating company or the licensee, as the case may be, the original cost of such asset as on the date of decapitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall

		be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.
15.	**Additional Capitalization**	• The capital expenditure incurred on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check; • In case of hydro generating stations, any investment which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and investment of more than Rs. 1 Crore which is considered indispensible by the Commission for running the generating station.
16.	**Renovation and Modernization**	Where the generating company makes an application for approval of its proposal for renovation and modernization, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.
17.	**Return on Equity**	• Return on equity shall be computed in rupee terms on the equity base. Return on equity shall be computed on pre-tax basis at the base rate of 15.5 % to be grossed up as per these Regulations. • The rate of return on equity for each year of the control period shall be computed by grossing up the base rate with the prevailing MAT rate of the base year.
18.	**Interest and Finance Charges on Loan Capital**	• The normative loan outstanding as on 01.04.2016 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2016 from the gross normative loan. • The repayment for the year of the tariff period shall be deemed to be equal to the depreciation allowed for that year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project. • In case of new generating station commencing its operation after the date of effectiveness of these Regulations, and which don't have actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to the Base rate of State Bank of India plus 200 basis points as on the date on which the generating station or a unit thereof is declared under commercial operation.
19.	**Depreciation**	• 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 except for IT equipments and software used for SLDC business shall be considered as 10% and depreciation shall be allowed up tQ maximum of 90% of the capital cost of the asset. • The salvage value for IT equipments and Software shall be considered as NIL and 100% value of the assets shall be considered depreciable. • Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • Depreciation shall be chargeable from the first year of commercial operation. The depreciation shall be computed on the average

		asset base during the year.
20.	**Interest on Working Capital**	• Interest on working capital shall be allowed at a rate equal to the Base rate of State Bank of India as on 30th September of the financial year in which the Petition is filed plus 350 basis points. At the time of true up, the interest rate shall be adjusted as per the actual rate prevailing on 1st April of the financial year for which truing up exercise has been undertaken. • Interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency.
21.	**Tax on Income**	Tax on any income stream other than the core business shall not be a pass through component in tariff and tax on such other income shall be borne by the generating company. In case, any tax paid against income/services under other sources or non-tariff income which are considered in ARR, such taxes will also be passed through tariff.
22.	**Rebate**	For payment of bills of the generating company, through letter of credit or otherwise, a rebate of 1% of the paid amount corresponding to current bill shall be allowed if payment is made within 7 days of presentation of bills, by the generating company.
23.	**Late Payment Surcharge**	• In case the payment of any bill for charges payable under these Regulations is delayed by a beneficiary/ intra-state entity beyond a period of 30 days from the date of billing, a late payment surcharge at the rate of 0.04% for each day of delay as simple interest on outstanding amount, shall be levied by the generating company. At the time of true-up, the late payment surcharge paid/ received by the beneficiary/licensee shall not be considered as an expense/ revenue, as the case may be. • Late payment surcharge for the retail consumer shall be recoverable as per the provisions of relevant tariff order.
24.	**Foreign Exchange Rate Variation**	• The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full in the discretion of the generating company. • To the extent the generating company is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the generating company or its suppliers or contractors.
25.	**Recovery of Cost of Hedging Foreign Exchange Rate Variation**	Every generating company recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises, from beneficiaries.
26.	**Billing and Payment of Charges**	Bills shall be raised for capacity charge and energy charge on monthly basis by the generating company in accordance with these Regulations and payments shall be made by the beneficiaries directly to the generating company.
27.	**Petition for Determination of Generation Tariff**	A generating company is required to file a Petition for determination of tariff for supply of electricity directly or through State trading licensee(s) to distribution licensees of the State under long term agreement in accordance with the provisions of these Regulations.
28.	**Sale of Infirm Power**	Any revenue earned by the generating company from supply of infirm power after accounting for the fuel expenses shall be applied in adjusting the capital cost accordingly.
29.	**Operation and Maintenance Expenses**	• **Existing Hydro Generating Stations:** The Commission shall stipulate a separate trajectory for each of

		the components of O&M expenses viz., Employee cost, R&M expense and A&G expense for the Control Period. • **For new hydro generating stations:** ➢ O&M expenses for the first year of operation will be 1.5% of the original project cost (excluding cost of rehabilitation and resettlement works); ➢ The O&M expenses for each year of the Control Period shall be determined by escalating the base year expenses determined above for the first year of operation, at the escalation factor.
30.	**Non - Tariff Income**	The amount of Non-Tariff Income relating to the generation business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the generation company.
31.	**Auxiliary Energy Consumption (AUX)**	• Surface hydro generating stations ➢ with rotating exciters mounted on the generator shaft : 0.7% ➢ with static excitation system : 1.0% • Underground hydro generating stations ➢ with rotating exciters mounted on the generator shaft : 0.9 % ➢ with static excitation system : 1.2 %
32.	**Capacity Charge and Energy Charge for Hydro**	The tariff for the hydro plant shall be single part tariff. Hydro generating stations shall be treated as must run power station.
33.	**Sharing of CDM Benefits**	The proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely- ➢ 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station; ➢ 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%, thereafter the proceeds shall be shared in equal proportion, by the generating company and the beneficiaries.
34.	**Deviation Charges**	Variations between actual net injection and scheduled net injection for the generating stations, and variations between actual net drawal and scheduled net drawal for the beneficiaries shall be treated as their respective deviations and charges for such deviations shall be governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof till the time the Commission issues any separate Regulations to its effect.

GUJARAT ELECTRICITY REGULATORY COMMISSION

(Multi-Year Tariff) Regulations, 2016 Dated: 29.03.2016 with amendments Dated: 02.12.2016, 14.08.2018

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Applicability**	• Supply of electricity by a Generating Company to a Distribution Licensee • Intra-State transmission of electricity • SLDC Fees and Charges • Intra-State Wheeling of electricity • Retail supply of electricity • The Retail Supply Tariff for retail sale of electricity shall be based on the Aggregate Revenue Requirement determined for the Distribution Wires Business and Retail Supply Business. • Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.
3.	**Norms of operation to be ceiling norms**	For removal of doubts, it is clarified that the norms of operation specified under these Regulations are the ceiling norms and this shall not preclude the Generating Company, and the beneficiaries from accepting improved norms of operation as determined by the Commission and such improved norms shall be applicable for determination of tariff.
4.	**Deviation from norms**	Tariff for sale of electricity by a Generating Company may also be determined in deviation of the norms specified in these Regulations subject to the conditions that: • The overall per unit tariff of electricity over the entire life of the asset, calculated on the basis of the norms in deviation does not exceed the per unit tariff calculated on the basis of the norms specified in these Regulations; and • Any such deviation shall come into effect only after approval by the Commission.
5.	**Saving of Inherent Power of the Commission**	Nothing in these Regulations shall, expressly or by implication, bar the Commission to deal with any matter or exercise any power under the Acts for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.
6.	**Effect of Non-Compliance**	Failure to comply with any requirement of these Regulations shall not invalidate any Proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.
7.	**Multi-Year Tariff Framework**	• The Multi-Year Tariff framework shall be used for determination of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Company. • A detailed Multi-Year Tariff Application comprising the forecast of Aggregate Revenue Requirement for the entire Control Period and expected revenue from existing tariffs for the first year of the Control Period to be submitted by the Applicant.
8.	**Accounting statement and filing under MYT**	• The filing under MYT by the Generating Company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of Aggregate Revenue Requirement as specified in these Regulations, in such form as may be prescribed by the Commission from time to time.

		• The Generating Company, for the Distribution Wires Business and Retail Supply Business, shall file separate audited accounting statements with the application for determination of tariff and truing up.
9.	**Truing Up**	• The Generating Company shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations. • In respect of the expenses incurred by the Generating Company during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an Applicant vis-a-vis the approved forecast as part of the truing up. • Carrying cost to be allowed on the amount of Revenue Gap or Revenue Surplus for the period from the date on which such gap/surplus has become due, i.e., from the end of the year for which true-up has been done, till the end of the year in which it is addressed, calculated on simple interest basis at the weighted average State Bank Base Rate (SBBR) / 1 year State Bank of Indio (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for the relevant year, i.e. the year for which Revenue Gap or Revenue Surplus is determined.
10.	**Determination of Tariff**	The proceedings to be held by the Commission for determination of tariff shall be in accordance with the GERC (Conduct of Business) Regulations, 2004, as amended from time to time. Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.
11.	**Determination of Generation Tariff**	• **Existing generating station:** Where the Commission has, at any time prior to the date of effectiveness of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating Unit/Station, the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission. • **New generating stations:** The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with tariff as per power purchase agreement approved by the Commission. • **Own generating stations:** ➢ Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission. ➢ The Distribution Licensee shall maintain separate records for the Generation Business and shall maintain an Allocation Statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and return on equity accruing to such business.
12.	**Tariff Order**	The Commission shall, within one hundred and twenty (120) days from the date of registration of a complete application and after considering all suggestions and objections received from the public: • issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in that Order; or • reject the application for reasons to be recorded in writing if such application is not in accordance with the provisions of the Act and the rules and Regulations made there under or the provisions of any other law for the time being in force.
13.	**Adherence to Tariff Order**	If any Generating Company recovers a price or charge exceeding the tariff determined in accordance with these Regulations, the excess

		amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Generating Company.
14.	**Annual determination of tariff**	The Commission shall determine the tariff of a Generating Company, Transmission Licensee, SLDC and Distribution Licensee covered under a Multi-Year Tariff framework for each financial year during the Control Period, at the commencement of such financial year, having regard to the following: • The approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges of the Generating Company, Transmission Licensee, SLDC and Distribution Licensee for such financial year, including modifications approved at the time of mid-term review, if any; and • Approved gains and losses, including the incentive available, to be passed through in tariffs, following the Truing Up of previous year.
15.	**Subsidy Mechanism**	With effect from the first day of April 2016, if the State Government requires to grant any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government, in the manner specified in these Regulations.
16.	**Debt-Equity Ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in case of a new generating station, transmission or distribution line or substation commissioned or capacity expanded on or after 1.4.2016 shall be 70:30 of the amount of capital cost approved by the Commission under, after prudence check. • If actual equity employed is more than 30% of capital cost approved by the Commission, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. • If actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered, and the balance amount in excess of 70% normative loan shall also be considered as loan.
17.	**Capital Cost**	• The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • Where the power purchase agreement or bulk power transmission agreement provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling. • The capital cost may include initial spares capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to ceiling norms for - Hydro generating stations including pumped storage hydro generating station: 4.0% • Impact of revaluation of assets shall be permitted during the Control Period, provided it does not result in increase in tariff of Generating Company. • Any expenditure on replacement, renovation and modernization or extension of life of old fixed assets, as applicable to Generating Company, shall be considered after writing off the net value of such replaced assets from the original capital cost.
18.	**Additional capitalisation**	• The capital expenditure, actually incurred or projected to be incurred, in respect of new project or an existing project, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check: ➢ Undischarged liabilities recognized to be payable at a future date; ➢ Works deferred for execution; ➢ Procurement of initial capital spares within the original scope of work, ➢ Liabilities to meet award of arbitration or for compliance of the

		➢ order or decree of a court of law; and ➢ Change in law or compliance of any existing law. • The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check: ➢ In hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation. • If any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under (O&M) expenses, same expenditure cannot be claimed under this Regulation.
19.	**Return on Equity**	• Return on equity shall be computed on the paid up equity capital on the assets put to use, for the Generating Company and shall be allowed at the rate of 14% for hydro generation stations above 25 MW. • The premium raised by the Generating Company while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting capital expenditure, and are within the ceiling of 30% of capital cost approved by the Commission. • Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed.
20.	**Interest and finance charges**	• The loans arrived on the assets put to use, shall be considered as gross normative loan for calculation of interest on loan. • The normative loan outstanding as on April 1, 2016, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2016, from the gross normative loan. • The repayment for the year during the Control Period from FY 2016-17 to FY 2020-21 shall be deemed to be equal to the depreciation allowed for that year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company. • If the Generating Company as a whole does not have actual loan, then the Bank Rate plus 200 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan. • The Generating Company, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee, as the case may be, in the ratio of 2:1.
21.	**Depreciation**	• The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. • For a Generating Company formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of the Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets. • In hydro generating station, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government.

		• In hydro generating station the land for reservoir shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In case of the existing projects, the balance depreciable value as on April 1, 2016, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2016, from the gross value of the assets.
22.	**Interest on Working Capital**	• Interest on working capital shall be allowed at a rate equal to the State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable as on 1st April of the financial year in which the Petition is filed plus 250 basis points. • The contribution of delay in receipt of payment to the actual interest on working capital shall be deducted from the actual interest on working capital, before sharing of the efficiency gain or efficiency loss, as the case may be.
23.	**Tax on income**	• The Commission in its MYT Order shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest Audited Accounts available for the Applicant, subject to prudence check. • Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the regulated business of Generating Companies, shall be reimbursed to/recovered from the Generating Companies, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to prudence check.
24.	**Rebate**	• For payment of bills of generation tariff or transmission charges through Letter of Credit or otherwise, within 7 days of presentation of bills, by the Generating Company or the Transmission Licensee, as the case may be, a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Where payments are made subsequently through opening of Letter of Credit or otherwise, but within a period of one month of presentation of bills by the Generating Company or the Transmission Licensee, as the case may be, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.
25.	**Delayed Payment Surcharge**	In case the payment of bills of generation tariff or transmission charges or by the beneficiary or beneficiaries is delayed beyond the due date, late payment surcharge at the rate of 1.25% per month on billed amount shall be levied for the period of delay by the Generating Company.
26.	**Foreign Exchange Rate Variation**	• The Generating Company, hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full at the discretion of the Generating Company. • Every Generating Company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
27.	**Petition for determination of generation tariff**	• A Generating Company is required to file a Petition for determination of tariff for supply of electricity to Distribution Licensees in accordance with of these Regulations. • The Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all Stages or Generating Units, as the case may be. • In the case of an existing Generating Station, the application for determination of generation tariff shall be made not later than 120 days from the date of notification of these Regulations, based on the approved capital cost including any additional capital expenditure already approved up to March 31, 2016, based either on actual or on

<table>
<tr><td></td><td></td><td>projected additional capital expenditure and estimated additional capital expenditure for the ensuing financial years.
In the case of new projects, the Generation Company may be allowed provisional tariff by the Commission from the anticipated date of commercial operation, based on the projected capital expenditure.
Where the actual capital cost incurred on year to year basis is lesser than the capital cost approved for determination of tariff by the Commission on the basis of the projected capital cost as on the date of commercial operation or on the basis of the projected additional capital cost, by five percent or more, the Generation Company shall refund to the beneficiaries as approved by the Commission, the excess tariff realised corresponding to excess capital cost, along with interest at 1.20 times of the State Bank Base Rote (SBBR) / 1 year State Bank of India (SBD Marginal Cost of Funds Based Lending Rote (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable plus three hundred and fifty basis points, as prevalent on the first day of April of the respective financial year.
In relation to multi-purpose hydroelectric Projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the Project only shall be considered for determination of tariff.</td></tr>
<tr><td>28.</td><td>Renovation & Modernisation</td><td>The Generating Company, for meeting the expenditure on Renovation and Modernization for the purpose of extension of life beyond the useful life of the generating station or a unit thereof, shall file an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost, record of consultation with beneficiaries and any other information considered to be relevant by the Generating Company.
The Special Allowance shall be @ Rs. 7.5 lakh/MW/year for the year 2016-17 and thereafter escalated @ 5.72% every year during the Control Period, unit-wise from the next financial year from the respective date of the completion of useful life with reference to the date of commercial operation of the respective unit of generating station.</td></tr>
<tr><td>29.</td><td>Sale of Infirm Power</td><td>The tariff for sale of infirm power from a hydro-electric generating station to the Distribution Licensee shall be equivalent to the energy charge rate for the first financial year and revenue recovered from sale of infirm power shall be deducted from the capital cost.</td></tr>
<tr><td>30.</td><td>Non-Tariff Income</td><td>The amount of Non-Tariff Income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generation Company.</td></tr>
<tr><td>31.</td><td>Normative Annual Plant Availability Factor (NAPAF)</td><td>Normative Annual Plant Availability Factor (NAPAF) for GSECL existing Hydro Generating Stations:
<table>
<tr><th>Station</th><th>Normative Annual Plant Availability Factor (NAPAF)</th><th>Aux. Consumption incl. Transformer Losses</th></tr>
<tr><td>Ukai Hydro</td><td>80 %</td><td>0.6%</td></tr>
<tr><td>Kadana Hydro</td><td>80 %</td><td>1.00%</td></tr>
</table>
The following Normative Annual Plant Availability Factor (NAPAF) shall apply to other hydro generating stations for recovery of Annual Fixed Charges:
Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt : 90%
Pondage type plants where plant availability is significantly affected by silt: 85%.</td></tr>
</table>

32.	**Auxiliary Energy Consumption**	• Surface hydro generating stations: ➢ With rotating exciters mounted on the generator shaft: 0.70%; ➢ With static excitation system: 1.00%; • Underground hydro generating station: ➢ With rotating exciters mounted on the generator shaft: 0.90%; ➢ With static excitation system: 1.20%.
33.	**Operation and Maintenance Expenses for Hydro Generating Stations**	**For Existing Stations:** • The O & M expenses including insurance shall be derived on the basis of the average of the actual O & M expenses for the three (3) years ending March 31, 2015, subject to prudence check by the Commission. • The average of such operation and maintenance expenses shall be considered as O & M expenses for the financial year ended March 31, 2014 and shall be escalated at the escalation factor of 5.72% to arrive at operation and maintenance expenses for subsequent years up to FY 2020-21. **For New Stations:** • O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works). • The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 5.72%.
34.	**Payment of Capacity Charges and Energy Charges for Hydro Generating Stations**	• In case the Energy Charge Rate (ECR) for a hydro generating station, exceeds ninety paise per kWh, and the actual saleable energy in a year exceeds {DE x (100 – AUX) / 10000} MWh, the Energy Charge for the energy in excess of the above shall be billed at ninety paise per kWh only. • The Gujarat State Load Despatch Centre shall finalise the schedules for the hydro generating stations, in consultation with the beneficiaries, for optimal utilization of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the generating station.
35.	**Demonstration of declared capacity**	• The Generating Company may be required to demonstrate the declared capacity of its generating station as and when asked by the Gujarat State Load Despatch Centre. In the event of the Generating Company failing to demonstrate the declared capacity, the capacity charges due to the Generating Company shall be reduced as a measure of penalty. • The quantum of penalty for the first mis-declaration for any duration/blockin a day shall be the charges corresponding to two days' fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression.
36.	**Billing and Payment of Charges**	The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations shall be done on a monthly basis.
37.	**Sharing of CDM Benefits**	The proceeds of carbon credits from approved Clean Development Mechanism (CDM) projects shall be shared between Generating Company and the beneficiaries concerned in the following manner, namely: • 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; • 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.

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2007, Dated: 01.04.2007 with amendments Dated: 30.07.2011, 01.11.2013, 22.11.2018

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Applicability**	• These regulations shall apply in all cases where tariff for a generating station or a unit thereof is to be determined by the Commission. • Where a power purchase agreement has been executed between the generating company and the utility before existence of the Commission, the Commission shall determine such tariff in accordance with the terms and conditions of such power purchase agreement. • Where tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act.
3.	**Multi Year Tariff (MYT) Framework**	• The Commission shall adopt multiyear tariff framework for determination of tariff for each year of the control period. • The multiyear tariff framework shall be based on - Business Plan, Forecast of expected tariff for sale of power and Trajectory for specific parameters.
4.	**Capital Investment**	• The Commission shall approve the capital investment plan of a generating company for the control period commensurate with generation capacity growth. • The investment plan shall also include a capitalisation schedule and financing plan for the planned investment. Adjustment for the actual capital investment vis-à-vis approved capital investment shall be done at the end of the control period.
5.	**True Up**	• The true up across various controllable parameters shall be conducted by the Commission, for the previous years for which the actual/audited accounts are made available by the generator, at the times and as per principles. • The gain or loss on account of other controllable factors, unless otherwise specifically provided by the Commission shall be to the account of the generating company. • Notwithstanding anything contained in these regulations, the gains or losses in the controllable items of ARR on account of force majeure, change in law and change in taxes and duties shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.
6.	**Carrying Cost**	The generating company, for the approved true-up of any year over and above that approved in the Tariff Order for that year, shall be entitled to a carrying cost at one (1) Year weighted average State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period of the relevant Year plus 300 basis points and for any true-up resulting in less than that approved in the Tariff Order for that year, the carrying cost shall be recovered at the same rate.
7.	**Refund of Excess Amount**	1. If a generating company recovers the charges exceeding the tariff determined by the Commission, the excess amount shall be refunded to beneficiaries, who have paid such excess charges, along with interest equivalent to the one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year plus 300 basis points, without prejudice to any other liability to which such generating company may be subject. 2. Therefore interest payable to any party shall not be allowed to be recovered through the Aggregate Revenue Requirement of the generating company. The generating company shall maintain separate details of such interest paid or payable by it, and

		shall submit them to the Commission along with its petition.
8.	**Preparation of Accounting Manual and Regulatory Accounts**	The Generating Company shall prepare Accounting Manual and Regulatory Accounts as per the HPERC (Reporting System on Power Regulatory Accounting) Regulations, 2014. The Utility shall submit the Regulatory Audited Accounts every year within seven months of the end of the Financial Accounting Year to the Commission.
9.	**Segregation of Accounts**	The generating company shall maintain separate accounts for each of its hydro power plants.
10.	**Consumer Contribution, Deposit Work, Grant and Capital Subsidy**	• The works carried out by the generation company after obtaining the estimated cost from the users shall be classified as Deposit Works. • Capital works undertaken by the generation company utilising grants received from the State and Central Governments, including funds under various schemes shall be classified under the category of Grants. • The works carried out with any other grant of similar nature or such amount received without any obligation to return the same and with no interest costs attached to such subvention shall also be classified as works performed through consumer contribution, deposit work, capital subsidy or grant.
11.	**Capital cost of project**	1. The expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check. 2. Prudence check of capital cost may be carried out based on the benchmark norms to be laid down by the Commission from time to time. 3. In case where benchmark norms have not been laid down, the prudence check may be carried out based on the benchmark norms/guidelines laid down by the Central Electricity Authority and, prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff. 4. In case of the existing projects, the capital cost admitted by the Commission prior to the starting of the first year of the control period and the additional capital expenditure projected to be incurred for the respective years of the control period, as may be admitted by the Commission, shall form the basis for determination of tariff.
12.	**Initial Spares**	For hydro generating stations, initial spares shall be capitalised as a percentage of the original project cost, subject to the ceiling norm of 1.5%
13.	**Additional Capitalisation**	The capital expenditure incurred on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check: • liabilities to meet award of arbitration or for compliance of the order or decree of a court; • change in law; • any expenses to be incurred on account of need for higher security and safety of the capital asset as advised or directed by appropriate Government agencies or statutory authorities responsible for national security/internal security; • any liability for works admitted by the Commission after the Cut-off Date to the extent of discharge of such liabilities by actual payments etc.
14.	**Renovation and Modernisation**	• The generating company for meeting the expenditure on renovation and modernization for the purpose of extension of life beyond the useful life of the generating station or a unit thereof shall make an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any,

		record of consultation with beneficiaries and any other information considered to be relevant by the generating company. • Variations in capital cost of such Renovation and Modernization works on account of cost overruns beyond the value at which the works and/ or supplier are awarded to EPC contractors/ Suppliers, 100% of the variation shall be considered as part of the capital cost of the project if such can be attributed to a force majeure event or any other reason beyond the control of the generator and if such cannot be attributed to any reason beyond the control of the generator, then 50% of variation shall be considered as part of the capital cost of the project.
15.	**Sale of Infirm Power**	Supply of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for from the regional or State UI pool account at the applicable frequency-linked UI rate.
16.	**Debt-Equity Ratio**	**Existing Stations –** 70:30 **New Stations -** 70:30 **Renovation and Modernisation -** Any approved capital expenditure incurred on renovation, modernisation, replacement or extension of life of existing generating assets shall be considered to be financed at a normative debt-equity ratio of 70:30. In case the amount of equity is less than 30%, the actual debt-equity ratio shall be considered.
17.	**Interest and Finance Charges**	1. Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of repayment in accordance with the terms and conditions of relevant agreements of loan, bond or non-convertible debentures. *2.* If the generating company does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 200 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan. 3. In case any moratorium period is availed of in any loan, depreciation provided for in the tariff during the years of moratorium shall be treated, as notional repayment of loan during those years and interest on loan capital shall be calculated accordingly. 4. The generating station shall make every effort to refinance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such refinancing shall be borne by the beneficiaries and any benefit on account of refinancing of loan and interest on loan shall be shared between the beneficiaries and the generating company in the ratio of 2:1. Refinancing may also include restructuring of debt.
18.	**Interest on Working Capital**	• Rate of interest on working capital to be computed as provided hereinafter in these regulations shall be on normative basis and shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 300 basis points. • The interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.
19.	**Depreciation**	1. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. 2. 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. 3. For generating station which are in operation for less than 12 years, the difference between the cumulative depreciation recovered and the cumulative depreciation arrived at by applying the depreciation rates specified in this regulation corresponding to 12 years, shall be spread over the period up to 12 years, and the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the asset. 4. For the project in operation for more than 12 years, the balance depreciation to be recovered shall be spread over the remaining useful life of the asset.

<table>
<tr><td>20.</td><td>Return on Equity</td><td colspan="3">Return on equity shall be computed in accordance with these Regulations on pre-tax basis at the base rate of 15.5% to be grossed up.</td></tr>
<tr><td>21.</td><td>Operation and Maintenance (O&M) Expenses</td><td colspan="3">• Operation and maintenance expenses, for the existing generating stations which have been in operation for 5 years or more as on 31 March 2018, shall be derived on the basis of actual operation and maintenance expenses for the years 2013-14 to 2017- 18, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission.
• In case of hydro generating stations, which have been in commercial operation for less than 5 years as on 31 March 2018, the Operation and maintenance expenses shall be fixed at 2% of the original project cost, excluding cost of rehabilitation and resettlement works, and shall be escalated in accordance with the escalation principles.
• In case of the hydro generating stations declared under commercial operation on or after 1.4.2018, operation and maintenance expenses shall be fixed at 2% of the original project cost, excluding cost of rehabilitation and resettlement works, and shall be escalated in accordance with the escalation principles specified.
• The generating company, wherever applicable, shall submit the detail of sharing of the terminal benefits including pension of its employees as per the HPERC (Terms and Conditions for Sharing of Cost of Terminal Benefits of Personnel of the erstwhile Himachal Pradesh State Electricity Board and Successor Entities) Regulations, 2015.</td></tr>
<tr><td>22.</td><td>NAPAF</td><td colspan="3">Normative Annual Plant Availability Factor (NAPAF):
• storage and pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt : 90%
• storage and pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt: Plant-specific allowance to be provided in NAPAF for reduction in MW output capability as reservoir level falls over the months.
• pondage type plants where plant availability is significantly affected by silt : 85%
• run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.</td></tr>
<tr><td rowspan="4">23.</td><td rowspan="4">Auxiliary Energy Consumption</td><td rowspan="2">Surface hydro electric power generating station</td><td>With rotating exciters mounted on the generator shaft</td><td>0.7%</td></tr>
<tr><td>With static excitation system</td><td>1%</td></tr>
<tr><td rowspan="2">Underground hydro electric power generating station</td><td>With rotating exciters mounted on the generator shaft</td><td>0.9%</td></tr>
<tr><td>With static excitation system</td><td>1.2%</td></tr>
<tr><td>24.</td><td>Unscheduled Interchange (UI) Charges</td><td colspan="3">The generating station may be entitled to receive or shall be required to bear, as the case may be, the charges for deviations between energy sent-out corresponding to scheduled generation and actual energy sent-out shall be accounted for through Unscheduled Interchange (UI) charges, as per the rate approved by the Appropriate Commission.</td></tr>
<tr><td>25.</td><td>Billing and payment of charges</td><td colspan="3">Bills shall be raised for capacity charge and energy charge on monthly basis by the generating company in accordance with these regulations, and payments shall be made by the beneficiaries directly to the generating company.</td></tr>
<tr><td>26.</td><td>Late Payment Surcharge</td><td colspan="3">In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary 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.</td></tr>
<tr><td>27.</td><td>Rebate</td><td colspan="3">For payment of bills of the generating company through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.</td></tr>
<tr><td>28.</td><td>Scheduling</td><td colspan="3">The methodology for scheduling and dispatch for the generating station shall be as</td></tr>
</table>

		specified in the Himachal Pradesh Electricity Grid Code as amended from time to time.
29.	**Demonstration of Declared Capacity**	1. The generating company may be required to demonstrate the declared capacity of its generating station as and when asked by the State Load Despatch Centre (SLDC). In the event of the generating company failing to demonstrate the declared capacity, the capacity charges due to the generating company shall be reduced as a measure of penalty, the quantum of which shall be determined by the Commission. 2. The quantum of penalty for the first mis-declaration for any duration or block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations, the penalty shall be multiplied in the geometrical progression.
30.	**Metering and Accounting and Safety Standards**	For metering and accounting, the provisions of the regulations framed by the Central Electricity Authority (CEA) and the Himachal Pradesh Electricity Grid Code, as amended from time to time, shall be applicable. The generating company shall develop a safety manual and comply with regulations framed in this regard by the Central Electricity Authority (CEA).
31.	**Multi-Year Filings for the control period**	• For the Approval of the Commission, the multi-year ARR and tariff filing for each year of the control period consistent with the business plan, shall be done by the petitioner generator not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission, in such form and in such manner as may be laid down by the Commission by an order and also as per the provisions of the Conduct of Business Regulations. • The applicant shall also submit the multi-year ARR and tariff filing in electronic format to the Commission.
32.	**Tariff Filing**	• The generator /generating company shall file not less than 120 days before the commencement of the first year of the control period or such other date as may be directed by the Commission, an application for approval of multi-year Aggregate Revenue Requirement (ARR) and determination of tariff for each year of the control period. • The generation company shall make a petition / application for mid-term performance review on the controllable / uncontrollable factors not less 120 days before the commencement of the year after the mid year of the control period as per principles laid down.
33.	**Sharing of Clean Development Mechanism (CDM) Benefits riodic Reviews**	Sharing of Clean Development Mechanism (CDM) Benefits: • 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year (12 months) after the date of commercial operation of the generating station; • 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.
34.	**Tax on Income**	In view of pre tax return on equity, tax on the income streams of the generating company shall not be recovered from the beneficiaries.
35.	**Foreign Exchange Rate Variation**	• The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station in part or full in the discretion of the generating company. • Every generating company shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
36.	**Recovery of cost of hedging Foreign Exchange Rate Variation**	• Recovery of cost of hedging and foreign exchange rate variation shall be made directly by the generating company from the beneficiaries without making any application before the Commission. • In case of any objections by the beneficiaries to the amounts claimed on account of cost of hedging or foreign exchange rate variation, the generating company makes an appropriate application before the Commission for its decision.

HARYANA ELECTRICITY REGULATORY COMMISSION

Draft - (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Applicability**	1. These Regulations shall be applicable to all existing and future Generating Companies, Transmission Licensees / SLDC and Distribution Licensees and their successors/assignees, if any. 2. In case the tariff has been determined through transparent process of tariff based competitive bidding in accordance with the guidelines issued by the Central Government as per Section 63 of the Electricity Act, 2003, the Commission shall adopt such tariff in accordance with the provisions of the Ac. 3. These Regulations shall not apply for tariff determination of renewable energy generation projects.
3.	**Multi Year Tariff Framework**	• The Commission shall adopt Multi Year Tariff (MYT) framework for determination of ARR/tariff for each year of the Control Period from the FY 2020-21 i.e. 1.04.2020. • The mid-year performance review vis-a-vis the approved forecast and variations in performance of controllable and uncontrollable items. • Reduction in outstanding receivables from consumers including un-paid RE Subsidy, if any and beneficiaries in the case of transmission licensees and Generating Company. • Tariff during the control period: The Commission shall determine the ARR for each year of the control period and tariff for the first year of the control period separately for Generation Company (ies). • There will be no true-up of the controllable items except on account of Force Majeure events or on account of variations attributable to uncontrollable items. • The tariff determined by the Commission shall continue to be applicable till it is modified / amended or revised by the Commission.
4.	**Plant Wise Computation of Tariff for Generating Company**	• The generating company shall prepare its annual accounts in a manner such that all individual plants / units are treated as separate business entity including any new plant that may be commissioned during the control period. • For the plants, if any, not covered under ABT the Commission may determine, single part tariff based on a normative PLF. • 'target / normative availability' and 'target / normative PLF' shall be construed as normative availability and normative PLF till such the time power plants are brought under intra-State ABT framework.
5.	**MYT Approach**	1. **Base Line values-** The Commission shall determine baseline values for various financial and operational parameters of ARR for the control period taking into consideration such parameters approved by the Commission in the past, actual average figures of last three years, audited accounts, estimate of the figures for the relevant year, Industry benchmarks/norms and other factors as may be considered appropriate by the Commission. 2. **Control Period** – The second control period under Multi-Year Tariff framework shall be a period of five (5) years commencing from 1st April 2020. 3. **Power Purchase Agreement (PPA)** – The Commission shall consider approval of PPA in the light of the approved power procurement plan either u/s section 86(1)(b) or 63 of the Act.
6.	**Norms**	• Commission shall determine norms for 'controllable' items and where the performance of the utilities for their respective businesses is sought to be improved upon through incentive and penalty framework, trajectory for specific variables may be stipulated. • The variations in the controllable items over and above the specified norms will be governed by incentive and penalty framework specified in these Regulations.
7.	**Capital Investment Plan**	1. The generating company and the licensees, in respect of their respective businesses, shall file, for approval of the Commission, a capital investment plan along with the MYT petition for a period covering at least the entire control period. 2. In case during the mid-year performance review, the actual cumulative capital expenditure incurred up to the current year starting from first year of the control

		period, is less by more than 10% of the approved cumulative capital expenditure, the Commission shall true-up the costs incidental to the actual capital expenditure in the current year and remaining years of the control period. 3. In case the capital expenditure incurred for approved schemes exceeds the amount as approved in the capital expenditure plan, the generating company shall file an application with the Commission at the end of control period for truing up the expenditure incurred over and above the approved amount. After prudence check, the Commission shall pass an appropriate order on case to case basis.
8.	**Business Plan**	The generating company and the licensee, in respect of their respective businesses, shall file for approval of the Commission a business plan for a period covering the entire control period along with the MYT petition. The business plan shall provide the details for each year of the control period.
9.	**Mid-Year Performance Review and Tariff Setting**	The generating company and the licensee shall file an application for mid-year performance review, true-up of previous year and tariff for the ensuing year not less than 120 days before the close of each year of the control period, complete in all respects including the information in the existing formats as per present practice, till such time new formats are finalised by the Commission.
10.	**Incentive and Penalty Framework (Sharing of Gains & Losses)**	1. Various elements of the ARR of the generating company and the licensee will be subject to incentive and penalty framework as per the terms specified in this Regulation. **2. In case of gain:** • The item wise gain shall be shared between the generating company or the licensee, as the case may be, and their respective beneficiaries in the ratio of 50:50. However, the sharing ratio of 50:50 may be revised to a maximum of 60:40 at the time of true-up during mid-year performance review / true-up. **3. In case of loss:** • The item wise losses on account of controllable factors in case of a distribution licensee shall be dealt according to these Regulations.
11.	**Truing-Up**	• Truing-up of the ARR of the previous year shall be carried out along with mid-year performance review of each year of the control period only when the audited accounts in respect of the year(s) under consideration is submitted along with the application. • Truing-up of uncontrollable items shall be carried out at the end of each year of the control period through tariff resetting for the ensuing year and for controllable items shall be done only on account of force majeure conditions and for variations attributable to uncontrollable factors. • Over or under recoveries of trued-up amount in previous year(s) of the control period shall be allowed to be adjusted in the ensuing year of the control period by appropriate resetting of tariff. The unrecovered amount in the one control period shall be adjusted in the subsequent control period
12.	**Review at the end of the Control Period**	• At the end of the second control period, the Commission shall review the achievement of objectives and implementation of the principles of MYT laid down in these Regulations. • The end of the second control period shall be the beginning of the third control period.
13.	**Capital Cost**	• The Capital cost as admitted by the Commission after prudence check and subject to debt-equity ratio as per provisions of these Regulations, shall form the basis of determination of tariff for new power projects. • Where the power purchase agreement entered into between the generating Company and the beneficiaries provides for a ceiling of actual expenditure, the capital expenditure shall not exceed such ceiling for determination of tariff. • For new projects - Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed. • Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed – • capitalised Initial spares subject to the ceiling rates, as a percentage of the original Plant and Machinery cost as on the cut-off date, as for Hydro Generation Plants - 1.50%.
14.	**Interest during Construction (IDC)**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after considering the prudent phasing of funds up to

		SCOD. • In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company, shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds
15.	**Incidental Expenditure during Construction (IEDC)**	• Incidental expenditure during construction shall be computed from the zero date and after considering pre-operative expenses upto SCOD. • In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company, shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company.
16.	**Additional capitalization**	• The Commission may consider allowing, subject to prudence check, any additional capital expenditure incurred or projected to be incurred, after the commercial operation date of a project and up to the cut-off date, provided the same was part of the original scope of work of the project. • Impact of additional capitalization in tariff revision within the approved project cost shall be considered by the Commission once during a particular financial year of the control period. • Provided also that if any expenditure has been claimed under Renovation and Modernization (R&M), repairs and maintenance under O&M expenses and Compensation Allowance, same expenditure cannot be claimed under this Regulation. • In case of de-capitalization of assets of a generating company the original cost of such asset as on the date of decapitalization shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalization takes place, duly taking into consideration the year in which it was capitalized.
17.	**Renovation and Modernization**	• Where the generating company makes an application for approval of its proposal for renovation and modernization, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
18.	**Debt Equity Ratio**	1. **Existing projects -** In case of the existing projects declared under commercial operation prior to 1st April 2020, debt-equity ratio as allowed by the Commission for determination of tariff for the period ending 31st March 2020 shall be considered. 2. **New projects -** For new projects commissioned or whose capacity is expanded on or after 1st April 2020. • A Normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff; • In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan; • In case the actual equity employed is less than 30%, then the actual debt-equity ratio shall be considered.
19.	**Return on Equity**	1. The rate of return on equity shall be decided by the Commission keeping in view the incentives and penalties and on the basis of overall performance subject to a ceiling of 14% provided that the ROE shall not be less than the net amount of incentive and penalty. 2. There shall be no Return on Equity for the equity component above 30%. 3. Return on equity invested in work in progress shall be allowed from the actual date of commercial operation of the assets.
20.	**Interest on Loan Capital**	**1. Existing loans** a. Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner specified in these Regulations and shall be as per the rates approved by the Commission. b. The interest on loan shall be calculated on the normative average loan of the year

<table>
<tr><td></td><td></td><td>by applying the weighted average rate of interest.
c. The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries.
d. The repayment for each year of the control period shall be deemed to be equal to the depreciation allowed for the corresponding year.
2. New loans (on or after 1st April 2020):
a. Rate of interest on new loans i.e. on or after 01.04.2020 shall be equal to the marginal cost of funds-based lending rate (MCLR) of the SBI plus a maximum of 150 basis points w.r.t.1st April of the relevant financial year.
b. The amount of loan shall be arrived in the manner as specified in these Regulations and shall be based on the approved capital investment plan.</td></tr>
<tr><td>21.</td><td>Interest on Working Capital</td><td>Rate of interest on working capital shall be equal to the MCLR of the relevant financial year plus a maximum of 150 basis points. However, while claiming any spread, the generator and the licensees shall submit loan sanction letter from the banks/ lending institutions, indicating the applicable rate of interest.</td></tr>
<tr><td>22.</td><td>Depreciation</td><td>• The value base of asset shall be the historical capital cost of the asset as admitted by the Commission. The historical capital cost shall include additional capitalization including foreign exchange rate variation, if any already allowed by the Commission up to 31st March of the relevant year.
• The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset.
• Land shall not be considered as a depreciable asset and cost shall be excluded from the capital cost while computing depreciable value of asset.</td></tr>
<tr><td>23.</td><td>Foreign Exchange Rate Variation</td><td>• The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the project in part or full at their discretion to safeguard their interest against extraordinary variations in the foreign exchange rates.
• The generating company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and no extra rupee liability corresponding to such foreign exchange rate variation shall be allowed against the hedged foreign currency debt.</td></tr>
<tr><td>24.</td><td>Income Tax</td><td>Income tax, if any, on the income stream of the generating company shall not be treated as an expense or a pass-through component in the tariff and shall be payable by the generating company on their own.</td></tr>
<tr><td>25.</td><td>Income from Other Business</td><td>The generation company and the licensees may engage in any other business for optimum utilization of their assets with prior intimation to the Commission. Such instances and transactions shall be governed in accordance with the Treatment of Income of Other Businesses of Transmission Licensee(s) and Distribution Licensee(s), Regulations, 2007 notified by the Commission, as amended from time to time.</td></tr>
<tr><td>26.</td><td>Norms</td><td>The norms of operation for existing hydro generating stations for recovery of Annual Fixed Charges shall be as under
<table><tr><th>Normative Annual Plant Availability Factor (%)</th><th>Normative Annual Plant Availability Factor (%)</th></tr><tr><td>80</td><td>1</td></tr><tr><td>80</td><td>1</td></tr></table></td></tr>
<tr><td>27.</td><td></td><td>The following Normative Annual Plant Availability Factor CNAPAF) shall apply to other hydro generating stations for recovery of Annual Fixed Charges:
a. Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 80%, and where plant availability is not affected by silt: 90%
b. In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.
c. Pondage type plants where plant availability is significantly affected by silt: 85%.
d. Run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.
e. A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g., abnormal silt problem or other operating conditions, and known plant Imitations.</td></tr>
<tr><td>28.</td><td>Auxiliary Energy</td><td>1. Surface hydro generating stations:</td></tr>
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<tr><td></td><td>Consumption</td><td>With rotating exciters mounted on the generator shaft: 0.70%;
With static excitation system: 1.00%;
2. Underground hydro generating station:
With rotating exciters mounted on the generator shaft: 0.90%;
With static excitation system: 1.20%</td></tr>
<tr><td>29.</td><td>Operation and Maintenance Expenses for Hydro Power Plant</td><td>The Operation and Maintenance expenses including insurance shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2018, subject to prudence check by the Commission.
The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 4%.
In case actual total energy generated by a Hydro Generating Station during a year is less than the Design Energy for reasons beyond the control of the Generating Company, the treatment shall be applied on a rolling basis.</td></tr>
<tr><td>30.</td><td>Unscheduled Interchange Charges</td><td>The profit and loss on account of unscheduled interchange shall be to the account of the generating company.</td></tr>
<tr><td>31.</td><td>Scheduling</td><td>The methodology for scheduling and dispatch for the generating plant shall be as specified in the Haryana Grid Code/IEGC and the intra state ABT Regulations to be notified by the Commission as amended from time to time. Until the intra-State ABT Regulations are notified by the Commission CERC ABT Regulations would be applicable.</td></tr>
<tr><td>32.</td><td>Reactive Energy</td><td>A generating station shall inject/absorb the reactive energy into the grid as per the directions of State Load Despatch Centre. Such injection/absorption may be undertaken on the basis of machine capability and in accordance with the directions issued by SLDC as per the provisions of Haryana Grid Code as amended from time to time.</td></tr>
<tr><td>33.</td><td>Demonstration of Declared Capacity</td><td>The generating company may be required to demonstrate the declared capacity of its generating plant as and when asked by the State Load Dispatch Centre or as requested by DISCOMs to SLDC.
The quantum of penalty for the first mis-declaration in a financial year for any duration or block in a day shall be charged corresponding to two days of fixed charges.
For the second mis-declaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the financial year, the penalty shall be multiplied in the geometrical progression. Same process to be followed in the subsequent financial years.</td></tr>
<tr><td>34.</td><td>Metering and Accounting</td><td>Metering arrangement, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on 15 minutes time block basis shall be provided by the State Load Dispatch Centre to the State Transmission Utility.
For all purpose, the Standards for Metering and Accounting specified in the Haryana Grid Code Regulations 2009, intra-State ABT Regulations to be notified by the Commission and the Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 notified by the CEA, shall be adopted and followed. Until the intra-State ABT Regulations are notified by the Commission, CERC ABT Regulations would be applicable.</td></tr>
<tr><td>35.</td><td>Billing and Payment</td><td>Bills shall be raised for capacity charges, and energy charges on monthly basis by the generating company in accordance with these Regulations, and applicable payments shall be made by the beneficiaries directly to the generating company.</td></tr>
<tr><td>36.</td><td>Rebate for Early Payment</td><td>In case of early payment of bills of capacity and energy charges the following schedule of rebate shall be followed:<table><tr><th>Days from the date of receipt of bills of capacity charges, energy charges etc.</th><th>Rebate %</th></tr><tr><td>0-7</td><td>2.0</td></tr><tr><td>8-14</td><td>1.0</td></tr><tr><td>15-21</td><td>0.5</td></tr><tr><td>22-30</td><td>0.25</td></tr></table></td></tr>
<tr><td>37.</td><td>Late Payment Surcharge</td><td>In case the payment of any bill for charges payable under these Regulations is delayed by the beneficiary beyond a period of 30 days from the date of receipt of bill, a late payment surcharge at the rate of 0.04% per day shall be levied by the generating company and shall be payable by the beneficiaries.</td></tr>
<tr><td>38.</td><td>Sale of Infirm Power</td><td>Supply of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for</td></tr>
</table>

		from the regional or State UI pool account at the applicable frequency-linked UI rate.
39.	**Non-Tariff Income**	• All incomes being incidental to electricity business and derived by the generating company from sources, including but not limited to profit derived from disposal of assets, rents, miscellaneous receipts from the beneficiaries, etc. shall constitute non-tariff Income of the generating company. • Late Payment Surcharge and Interest on Late Payment earned by the Generating Company shall not be considered under Non-tariff Income.

JAMMU AND KASHMIR
STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Multi Year Generation Tariff) Regulations, 2016, Dated: 19.12.2016

Sl. No.	Description	Summary
1.	**Control Period**	5 – Years • These shall come into force on the date of their publication in the Government Gazette and shall be applicable for determination of tariff for the period FY 2018-19to FY 2020-21 in a manner as specified in these Regulations.
2.	**Applicability**	• Where tariff has been determined bilaterally between the State Government and the Utility prior to the allotment of the project to the Utility for construction, operation and maintenance and for which power purchase agreement has been approved by the Commission based upon such tariff, the Commission shall adopt such tariff together with the terms and conditions of such approved power purchase agreement. • Where tariff may be determined by the Commission for hydroelectric projects which meet the following criteria: ➢ The Commission is satisfied that the project site has been allotted to the developer by the Government of J&K after following a transparent two stage process. ➢ Long term PPA is firmed up for 60% or more of the total saleable design energy, balance being allowed for merchant sale. ➢ The time period for commissioning of all the units of the project shall ordinarily be fixed at four years from the date of approval of the commissioning schedule by the Commission. However, the Commission may, after recording reasons in writing, fix longer time period for hydroelectric projects (reservoir as well as run-of- river projects) of more than 100 MW capacity. ➢ Award of contracts for supply of equipment and construction of the project, either through a turnkey or through well-defined packages, are done on the basis of international competitive bidding. • These Regulations shall not apply to: ➢ Generating stations whose tariff has been discovered through tariff-based competitive bidding. ➢ The tariff of generating companies, other than owned or controlled by the Central Government, if such generating companies enter into or otherwise have a composite scheme for generating and sale of electricity in more than one state.
3.	**Tariff Framework**	The Commission shall adopt Multi Year Tariff framework for approval of ARR and Tariff during the Control Period (commence from 1st April 2018 and shall extend till 31st March 2021).
4.	**Base Year**	The Commission will normally not revisit the performance targets even if the targets are fixed on the basis of base values of un-audited accounts.
5.	**Business Plan**	The generating company shall file for the Commission's approval, a Business Plan approved by the Board of Directors as per the timelines.
6.	**Capital Investment Plan**	• The Commission shall review the actual capital investment at the end of each year of the Control Period as a part of the Annual Performance Review of the generating company. • The generating company shall submit the actual capital expenditure incurred along with the Annual Performance Review Filing.

		• In case the capital expenditure is required for emergency work which has not been approved in the Capital Investment Plan, the generation company shall submit an application (containing all relevant information along with reasons justifying emergency nature of the proposed work seeking approval by the Commission.
7.	**Performance Targets**	Any financial loss on account of underperformance on targets for controllable parameters is not recoverable through tariffs. Similarly, any financial gain on account of over-performance with respect to controllable parameters is to the generating company's benefit and shall not be adjusted in Tariffs.
8.	**True-Up during Control Period**	Notwithstanding anything contained in these Regulations, the gains or losses in the controllable items of ARR on account of force majeure factors shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.
9.	**Determination of Tariff for Existing Generating Station**	• Where the Commission has, at any time prior to the notification of these Regulations, adopted or approved the tariff contained therein for supply of electricity from an existing generating station on the basis of a Power Purchase Agreement or arrangement, the tariff for the supply of electricity by the Generating Company to the Beneficiary shall henceforth, in the Control Period, be decided in accordance with these Regulations. • In case of the existing projects, the generating company, may be allowed tariff by the Commission based on the admitted capital cost as on 31.3.2018 and projected additional capital expenditure for the respective years of the tariff period 2018-19 to 2020-21 in accordance with these Regulations. • where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional capital expenditure exceeds the actual capital cost incurred on year to year basis by more than 5%, the generating company shall refund to the beneficiaries, the excess tariff recovered corresponding to excess capital cost, as approved by the Commission along with interest at 1.20 times of the J&K Bank base rate as prevalent on 1st April of respective • year: where the capital cost considered in tariff by the Commission on the basis of falls short of the actual capital cost incurred on year to year basis by more than 5%, the generating company shall be entitled to recover from the beneficiaries, the shortfall in tariff corresponding to reduction in capital cost, as approved by the Commission along with interest at 0.80 times of J&K bank base rate as prevalent on 1st April of respective year. with interest at 1.20 times of the J&K Bank base rate as prevalent on 1st April of respective year.
10.	**Determination of Tariff for New Generating Station**	• The generating company may make an application for determination of tariff for new generating station or unit thereof in accordance with these Regulations, in respect of the generating station or generating units thereof within 180 days of the anticipated date of commercial operation. • If the date of commercial operation is delayed beyond 180 days from the date of issue of tariff order, the tariff granted shall be deemed to have been withdrawn and the generating company shall be required to file a fresh application for determination of tariff after the date of commercial operation of the project. • where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional capital expenditure exceeds the actual capital cost incurred on year to year basis by more than 5%, the generating company shall refund to the beneficiaries, the excess tariff recovered corresponding to excess capital cost, as approved by the Commission along with interest at 1.20 times of the J&K Bank base rate as prevalent on 1st April of respective year: • where the capital cost considered in tariff by the Commission on the basis of falls short of the actual capital cost incurred on year

		to year basis by more than 5%, the generating company shall be entitled to recover from the beneficiaries, the shortfall in tariff corresponding to reduction in capital cost, as approved by the Commission along with interest at 0.80 times of J&K bank base rate as prevalent on 1st April of respective year.
11.	**Tariff Determination**	• The tariff in respect of a generating station under these Regulations shall be determined stage-wise, unit-wise or for the whole generating station. • Long term PPA is firmed up for 60% or more of the total saleable design energy, balance being allowed for merchant sale.
12.	**Capital Cost of the Project**	• The expenditure incurred or projected to be incurred, including interest during construction, IEDC and financing charges on the loan– • being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or • being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission after prudence check shall form the basis for determination of tariff. • The foreign exchange variation risk shall not be a pass through. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff: ➢ in the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer for getting the project site allotted shall not be included in the capital cost. ➢ the capital cost in case of such hydro generating station shall include cost of approved rehabilitation and resettlement (R&R) plan of the project.
13.	**Interest during construction (IDC)**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD. • In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds.
14.	**Incidental Expenditure during Construction (IEDC)**	• Any revenue earned during construction period up to SCOD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction. • In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company.
15.	**Additional Capitalization**	• The capital expenditure incurred on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check: In hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to ecological reasons after adjusting for proceeds from any

		insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plan operation. • Any expenditure admitted by the Commission for determination of tariff on account of new works not in the original scope of work shall be serviced in the normative debt-equity ratio specified in debt-equity ratio computation.
16.	**Renovation and Modernization**	• Where the generating company, makes an application for approval of R&M proposal, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
17.	**Sale of Infirm Power**	Supply of infirm power shall be accounted as Deviation and paid for from the regional deviation settlement fund accounts in accordance with the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof.
18.	**Debt-Equity Ratio**	• In case of the generating station declared under commercial operation prior to 01.04.2018, debt equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2018 shall be considered for determination of tariff. • For the project declared under commercial operation on or after 01.04.2018, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. ➢ Where equity deployed is less than 30% of capital cost, the actual equity shall be considered for determination of tariff.
19.	**Return on Equity**	• Return on equity shall be computed on pre-tax basis at the base rate of 15.50% for run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage, to be grossed up. • In case of Projects commissioned on or after 1stApril, 2018, an additional return of 0.5% shall be allowed if such projects are completed within the timeline specified in the Capital Investment plan approved by the Commission. • Rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system.
20.	**Interest and Finance Charges**	• The normative loan outstanding as on 01.04.2018 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2018 from the gross normative loan. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Project. • In case of Hydroelectric projects (HEPs), if the developer uses long-term financial instruments which results in reduction of tariff burden in the initial years, the Commission may devise a suitable incentive mechanism at the time of issuance of tariff order to share the benefits accrued between the generator and beneficiaries.

21.	**Depreciation**	• 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. • Land other than land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • Depreciation shall be chargeable from the first year of commercial operation.
22.	**Interest on Working Capital**	Rate of interest on working capital shall be equal to the J&K Bank Base Rate plus 350 basis points, as on 01.04.2018 or as on 1st April of the year during the tariff period 2018-19 to 2020-21 in which the generating station or a unit thereof, is declared under commercial operation, whichever is later.
23.	**Operation and Maintenance (O&M) expenses**	**Existing Hydro Generating Stations:** Operation and Maintenance (O&M) expenses for generating company shall include: ➢ Employees costs; ➢ Administrative and general expenses; ➢ Repairs and Maintenance. **For new hydro generating stations:** • O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works); • The O&M expenses for each year of the Control Period shall be determined by escalating the base year expenses determined above for the first year of operation, at the escalation factor.
24.	**Tax on Income**	• Tax on the income streams of the Generating Company, other than the core business, shall not be recovered from the Beneficiaries. • Any tax liability on incentives and savings due to improved performance on any parameter, if any, shall be considered for passing onto the Beneficiaries in the ratio of the sharing of the gains as prescribed under these Regulations.
25.	**Normative Annual Plant Availability Factor (NAPAF)**	• Storage and pondage type plants with head variation between full reservoir level (FRL) and Minimum Draw Down Level (MDDL) of up to 8% and where plant availability is not affected by silt: 90% • Storage and pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt: Plant-specific allowance to be provided in NAPAF for reduction in NAPAF for reduction in MW output capability as reservoir level falls over the months. • In case of a new hydro-electric project the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in these Regulation. • In case of Pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses etc. up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours.
26.	**Auxiliary Energy Consumption (AUX):**	1. Surface hydro generating stations • With rotating mounted on the generator shaft : 0.7% • With static excitation system : 1% 2. Underground hydro generating stations • With rotating exciters mounted on the generator shaft: 0.9% • With static excitation system : 1.2%

27.	**Payment of Capacity Charges and Energy Charges**	• In case the Energy Charge Rate (ECR) for a Hydro generating station according to these Regulation, exceeds eighty paise per kWh, and the actual saleable energy in a Year exceeds {DE x (100 – AUX) x (100 – FEHS) / 10000} MWh, the energy charge for the energy in excess of the above shall be billed at eighty paise per kWh only. • The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary in excess of the design energy plus 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, at a flat rate equal to the average energy charge rate of 20 paise per kWh, excluding free energy, if any, during the calendar month, on ex power plant basis. • Outages of the unit(s)/station including planned outages and the forced outages up to 15% in a year shall be construed as the valid reason for not pumping water from lower elevation reservoir to the higher elevation during off-peak period or not generating power using energy of pumped water or natural flow of water. • The concerned Load Despatch Centre shall finalise the schedules for the hydro generating stations, in consultation with the Beneficiaries, for optimal utilization of all the energy declared to be available, which shall be scheduled for all Beneficiaries in proportion to their respective allocations in the generating station.
28.	**Multi Year Tariff Filing Procedure**	The Applicant shall also submit the Multi Year Tariff filing in electronic format to the Commission.
29.	**Beginning of the Control Period Filings**	The Applicant shall file the MYT application for approval of generation tariff for each year of the Control Period consistent with the Business Plan, not later than 30th November or less than 120 days before the commencement of the first year of the Control Period or such other date as may be directed by the Commission.
30.	**Annual Filings for the Control Period**	The generating company shall submit periodic returns as may be specified, containing operational and cost data to enable the Commission to monitor the implementation of its MYT order.
31.	**Billing and Payment of Charges**	Bills shall be raised for capacity charge and energy charge on monthly basis by the generating company in accordance with these Regulations and payments shall be made by the beneficiaries directly to the generating company.
32.	**Scheduling**	The methodology for scheduling and despatch for the generating station shall be as specified in Grid Code, approved by the Commission.
33.	**Metering and Accounting**	Metering arrangements, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on 15 minute Time Block basis shall be organised by the State Transmission Utility and State Load Despatch Centre as per the Grid Code. The State Load Despatch Centre shall issue the Accounts for energy on monthly basis as well as Deviation charges on weekly basis.
34.	**Incentive for Completion of Hydro Power Generating Stations ahead of Schedule**	• In case of commissioning of a hydro power generating station or part thereof ahead of schedule, as set out in the first approval of the Central/State Government or the techno-economic clearance of the Authority, as applicable, the generating station shall become eligible for incentive for an amount equal to pro-rata reduction in interest during construction, achieved on commissioning ahead of the schedule. • In case of delay in commissioning as set out in the first approval of the Central/State Government or the techno-economic clearance of the Authority, as applicable, interest during construction for the period of delay shall not be allowed to be capitalized for determination of tariff, unless the delay is on account of natural calamities or geological surprise.

35.	**Late Payment Surcharge**	In case of payment of bills is delayed beyond a period of 60 days from the date of presentation of bills, the generating company may levy at the rate of 1.25% per month for each day of delay of payment.
36.	**Rebate**	For payment of bills of capacity charges/ energy charges through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode within a period of one month of presentation of bills by the Generating Company, a rebate of 1% shall be allowed.

JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Generation Tariff) Regulations, 2015, Dated: 10.11.2015

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	These Regulations shall apply in all cases of determination of generation tariff, for supply of electricity to a distribution licensee, but shall not apply where tariff has been determined through the transparent process of bidding in accordance with the guidelines issued by the Central Government.
3.	**Norms of Operation to be Threshold Norms**	If Power Purchase Agreement between Generating Company and the Beneficiary stipulates better norms of operation then such norms provided in the Power Purchase Agreement shall be considered for the determination of tariff.
4.	**Tariff Framework**	The Commission shall adopt Multi Year Tariff framework for approval of ARR and Tariff during the Control Period (commence from 1st April 2016 and shall extend till 31st March 2021).
5.	**Guiding Principles for MYT Framework**	• Business Plan of the Generating Company (plant wise separately) for the entire Control Period to be submitted to the Commission for approval, prior to the start of the Control Period. • Applicant's forecast of expected tariff for sale of power for each year of the Control Period, based on reasonable assumptions of the underlying financial and operational parameters, as submitted in the Business Plan.
6.	**Base Year**	• The values for the Base Year of the Control Period will be determined based on the audited accounts, best estimate for the relevant years and other factors considered relevant by the Commission, and after applying the tests for determining the controllable or uncontrollable nature of various items. • The Commission will normally not revisit the performance targets during the control period.
7.	**Capital Investment Plan**	• The Commission shall review the actual capital investment at the end of each year of the Control Period as a part of the Annual Performance Review of the Generating Company. • The Commission shall also conduct a mid-term review at the end of second year of the Control Period. In case, the cumulative incurred capital expenditure and/or capitalisation deviates from the approved capital expenditure / capitalisation by more than 20% (cumulative), the Commission will make necessary changes to capital investment plan for the remaining Control Period after consultation with Generation Company and adjust depreciation and financing cost, which includes cost of debt (interest), working capital interest, cost of equity (return) based on the actual capital expenditure and/or capitalisation vis-à-vis approved capital expenditure / capitalisation. • The Licensee shall take up the work prior to the approval of the Commission provided that the emergency nature of the scheme has been certified by the Board of Directors.
8.	**Performance Targets**	Any financial loss on account of underperformance on targets for controllable parameters is not recoverable through tariffs. Similarly, any financial gain on account of over-performance with respect to controllable parameters is to the Generating Company's benefit and shall not be adjusted in Tariffs.
9.	**True up during Control Period**	Notwithstanding anything contained in these Regulations, the gains or losses in the controllable items of ARR on account of force majeure factors shall be passed on as an additional charge or rebate in ARR over such period as may be laid down in the order of the Commission.

10.	**Adjustment of Excess/Deficit Amount**	• Where after the truing up, the tariff recovered exceeds the tariff approved by the Commission under these regulations, the generating company shall refund to the beneficiaries as the case may be, the excess amount so recovered. • The amount under-recovered or over-recovered, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, shall be recovered or refunded by the generating company in six equal monthly instalments starting within three months from the date of the tariff order issued by the Commission.
11.	**Determination of Tariff for Existing Generating Station**	Where the Commission has, at any time prior to the notification of these Regulations, adopted or approved the tariff contained therein for supply of electricity from an existing generating station on the basis of a Power Purchase Agreement or arrangement, the tariff for the supply of electricity by the Generating Company to the Beneficiary shall henceforth, in the Control Period, be decided in accordance with these Regulations.
12.	**Determination of Tariff for New Generating Station**	Where the generating station has been declared under commercial operation from the date of issue of these Regulations or on or after April 1, 2016, the tariff for supply of electricity by the Generating Company shall be decided in accordance with these Regulations.
13.	**Capital Cost of the Project**	• The expenditure incurred or projected to be incurred, including interest during construction, IEDC and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan– ➢ being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or ➢ being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission after prudence check shall form the basis for determination of tariff. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The Commission may issue guidelines for scrutiny and approval of commissioning schedule of the hydro-electric projects of a developer, not being a state controlled or owned company as envisaged in the Tariff policy. • In case the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company), by a State Government by following a two stage transparent process of bidding, any Expenditure Incurred or committed to be incurred by the project developer for getting the project site allotted shall not be included in the capital cost.
14.	**Interest during construction (IDC)**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD. • In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds. • IDC may be allowed beyond the COD to the extent, the delay is found beyond the control of generating company after due prudence and taking into account prudent phasing of funds.
15.	**Incidental Expenditure during Construction (IEDC)**	• Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses up to SCOD. • In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company.

16.	**Capitalised Initial Spares**	Initial spares shall be capitalized as a percentage of the plant and machinery cost up to cut-off date, subject to following ceiling norms: Hydro Generating stations – 4.00%
17.	**Additional Capitalization**	• The capital expenditure incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check. • The capital expenditure incurred on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check: ➢ In hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to ecological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plan operation.
18.	**Renovation and Modernization**	• Where the Generating Company, makes an application for approval of R&M proposal, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of Renovation and Modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
19.	**Sale of Infirm Power**	• Supply of infirm power shall be accounted as Unscheduled Interchange (UI) and paid for from the regional or State UI pool account at the applicable frequency-linked UI rate. • Any revenue earned by the Generating Company from sale of infirm power after accounting for the fuel expenses shall be applied for reduction in capital cost.
20.	**Debt-Equity Ratio**	• In case of the generating station declared under commercial operation prior to 1st April 2016, debt-equity ratio allowed by the Commission for determination of Tariff for the period ending 31st March 2016 shall be considered for determination of tariff. • For the project declared under commercial operation on or after 1st April 2016, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan.
21.	**Return on Equity**	• Return on equity shall be computed on pre-tax basis at the base rate of 15.50% run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage, to be grossed up. • Return on equity with respect to the actual base rate applicable to the Generating Company, in line with the performance of the respective generating station for the respective year during the Control period shall be trued up separately for each year of the Control period along with the tariff petition filed for the next Control period. • In case of Projects commissioned on or after 1st April, 2016, an additional return of 0.5% shall be allowed if such Projects are completed within the timeline. • The additional return of 0.5% shall not be admissible if the Project is not completed within the timeline. • As and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues. • The rate of return on equity shall be computed by grossing up the base rate with the normal applicable tax rate for the FY 2016-17 applicable to the Generating Company.

		• Penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries on year to year basis.
22.	**Interest and Finance Charges**	• The repayment for any year during the Tariff Period shall be deemed to be equal to the depreciation allowed for that Year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Project. • In case of new generating company commencing its operation after the date of effectiveness of these Regulations, and which doesn't have actual loan portfolio, the rate of interest shall be considered on normative basis and shall be equal to the Base rate of State Bank of India plus 200 basis points as on the date on which the generating unit is declared under commercial operation. • The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.
23.	**Depreciation**	• In hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site. • The capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under Long-term power purchase agreement at regulated tariff. • Land other than land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In case of existing projects, the balance depreciable value as on 1st April 2016 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31st March 2016 from the gross depreciable value of the assets.
24.	**Interest on working Capital**	• Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 01.04.2016 or as on 1st April of the year during the tariff period 2016-17 to 2020-21 in which the generating station or a unit thereof, is declared under commercial operation, whichever is later. • The interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.
25.	**Operation and Maintenance (O&M) expenses**	**Existing Hydro generating stations:** • Operation and maintenance expenses excluding terminal liabilities, for the existing generating stations which have been in operation for 5 years or more as on 1st April 2016, shall be derived on the basis of actual operation and maintenance expenses for the financial years 2011-12 to 2015-16, based on the audited balance sheets, excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission. • The normalised operation and maintenance expenses excluding terminal liabilities after prudence check, for the FY 2010-11 to FY 2014-15, shall be escalated to arrive at the normalised operation and maintenance expenses at the 2014-15 price level respectively and then averaged to arrive at normalized average operation and maintenance expenses for FY 2010-11 to FY 2014-15 at 2014-15 price level. • The operation and maintenance expenses for the financial year 2015-16 shall be escalated further annually to arrive at permissible operation and maintenance expenses for subsequent years of the Tariff Period. • In case of the hydro generating stations, which have not been in commercial operation for a period of five years as on 01.4.2016, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation & resettlement works).

		New Generating Stations: • In hydro generating stations declared under commercial operation on or after 01.4.2016, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) and shall be subject to annual escalation for the subsequent years.
26.	**Tax on Income**	• Tax on the income streams of the Generating Company shall not be recovered from the Beneficiaries. • Any tax liability on incentives and savings due to improved performance on any parameter, if any, shall be considered for passing onto the Beneficiaries in the ratio of the sharing of the gains as prescribed under these Regulations.
27.	**Normative Annual Plant Availability Factor (NAPAF)**	• Storage and pondage type plants with head variation between full reservoir level (FRL) and Minimum Draw Down Level (MDDL) of up to 8% and where plant availability is not affected by silt: 90% • Storage and pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt: Plant-specific allowance to be provided in NAPAF for reduction in NAPAF for reduction in MW output capability as reservoir level falls over the months. • In case of a new hydro electric project the developer shall have the option of approaching the Commission in advance for fixation of NAPAF. • In case of Pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses etc. up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hour.
28.	**Auxiliary Energy Consumption (AUX)**	• Surface hydro generating stations ➢ With rotating mounted on the generator shaft : 0.7% ➢ With static excitation system : 1% • Underground hydro generating stations ➢ With rotating exciters mounted on the generator shaft: 0.9% ➢ With static excitation system : 1.2%
29.	**Payment of Capacity Charges and Energy Charges**	• The Annual fixed cost of a Hydro generating station shall be computed, based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and Energy Charge, which shall be payable by the Beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, that is to say, in the capacity excluding the free power to the home State. • In case the Energy Charge Rate (ECR) for a Hydro generating station, exceeds eighty paise per kWh, and the actual saleable energy in a Year exceeds {DE x (100 – AUX) x (100 – FEHS) / 10000} MWh, the Energy charge for the energy in excess of the above shall be billed at eighty paise per kWh only. • The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary in excess of the design energy plus 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, at a flat rate equal to the average energy charge rate of 20 paise per kWh, excluding free energy, if any, during the calendar month, on ex power plant basis. • The generating company shall maintain the record of daily inflows of natural water into the upper elevation reservoir and the reservoir levels of upper elevation reservoir and lower elevation reservoir on hourly basis. ➢ For this purpose, outages of the unit(s)/station including planned outages and the forced outages up to 15% in a year shall be construed as the valid reason for not pumping water from lower elevation reservoir to the higher elevation during off peak period or not generating power using energy of pumped water or natural flow of water.

30.	**Scheduling**	The methodology for scheduling and desptach for the generating station shall be as specified in Grid Code, approved by the Commission.
31.	**Metering and Accounting**	Metering arrangements, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on 15 minute Time Block basis shall be organised by the State Transmission Utility and State Load Despatch Centre as per the Grid Code.
32.	**Unscheduled Interchange (UI) Charges**	All variations between actual net injection and scheduled net injection for the generating stations, and all variations between actual net drawal and scheduled net drawal for the Beneficiaries shall be treated as their respective Unscheduled Interchanges (UI), charges for which shall be governed by the relevant Regulations specified by the Commission from time to time.
33.	**Billing and payment of charges**	• Bills shall be raised for capacity charge and energy charge on monthly basis by the Generating Company in accordance with these Regulations, and payments shall be made by the Beneficiaries directly to the Generating Company. • Payment of capacity charge and energy charge for a hydro generating station shall be shared by the Beneficiaries of the generating station in proportion to their shares (inclusive of any allocation out of the unallocated capacity) in the saleable capacity (to be determined after deducting the capacity corresponding to free energy to home State. ➢ Free Energy for Home State, in percent shall be taken as 12% (not applicable for generating stations of JSEB)
34.	**Late Payment Surcharge**	In case the payment of any bill for charges payable under these Regulations is delayed by a Beneficiary 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.
35.	**Rebate**	For payment of bills of the Generating Company through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode but within a period of one month of presentation of bills by the Generating Company, a rebate of 1% shall be allowed.
36.	**Sharing of CDM Benefits**	• 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station; • 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.
37.	**Foreign Exchange Rate Variation**	• The Generating Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full in the discretion of the Generating Company. • The Generating Company shall recover the cost of hedging and Foreign Exchange Rate Variation on Year-to-Year basis as income or expense in the period in which it arises.
38.	**Application fee and the publication expenses**	The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, may in the discretion of the Commission, be allowed to be recovered by the Generating Company directly from the Beneficiaries.

KERALA STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Tariff) Regulations, 2018, Dated: 05.10.2018

Sl. No.	Description	Summary
1.	**Control Period**	• The Control Period is the period for which the principle and norms specified under these Regulations shall be applicable. • The Control Period shall be a block of four financial years starting from the First day of April, 2018 and ending on the Thirty First day of March 2022.
2.	**Applicability**	1. all businesses relating to generation, transmission and distribution of the Kerala State Electricity Board Limited (KSEB Ltd) and its successors; 2. all other generating companies, transmission licensees and distribution licensees, if any; 3. State Load Despatch Centre (SLDC); and 4. the determination of,- • tariff for supply of electricity by a generating business/ • company to a distribution business/licensee; • tariff for intra-State transmission of electricity; • tariff for intra-State wheeling of electricity; • tariff for retail supply of electricity; • surcharge in addition to the charges for wheeling; • additional surcharge on the charges for wheeling; and • fuel surcharge
3.	**Multi-year tariff (MYT) framework**	The multi-year tariff framework for the generating business/company, transmission business/licensee, distribution business/licensee and State Load Despatch Centre shall, for calculation of Aggregate Revenue Requirement and expected revenue from tariff and charges, be based on the following elements: Forecast of Aggregate Revenue Requirement (ARR), Truing up of expenses and revenue of the respective year, mechanism for pass-through of approved gains or losses on account of uncontrollable/controllable factors, Approval of the Aggregate Revenue Requirement of the business/licensee and Mid-term Performance Review (MPR) in the year 2019-20.
4.	**Filing under multi-year tariff (MYT) framework**	➢ Every generating business/company shall file, on or before the thirty first day of October 2018, the following petitions for the Control Period: • Petition for approval of Aggregate Revenue Requirement and determination of tariff for each year of the Control Period • Petition for truing up of Aggregate Revenue Requirement for the financial years till 2016-17. ➢ Every generating business/company shall file, on or before the Thirtieth day of November 2019, the Mid-term Performance Review (MPR) which shall comprise the truing up for the financial year upto 2018-19 and mid year performance review for the year 2019-20 and the revised forecast for the year 2020-21 and 2021-22 on account of unexpected variations if any on controllable and uncontrollable parameters. ➢ The applicant shall prepare the forecast of expected revenue from existing tariff and charges. ➢ In the case of generating business/company, the generation capacity allocated to distribution business/licensees and expected electricity generation by each unit/station for each financial year of the Control Period. ➢ In the case of a licensee having more than one area of supply, it shall submit separate details for each area of supply. ➢ The generating business/ company shall submit generation station-wise details, except for small hydro-electric generating stations, in whose case it may be combined.
5.	**Mechanism for pass through of gains or losses on account**	The aggregate gain or loss to the generating business/company as approved by the Commission during the truing up process, on account of uncontrollable factors shall be adjusted through tariff of the generating

	of uncontrollable factors	business/company over such period as may be stipulated in the order of the Commission passed under these Regulations.
6.	**Mechanism for sharing of gains or losses on account of controllable factors.**	1. The aggregate gain to the generating business/company as approved by the Commission, on account of controllable factors shall be dealt with in the following manner:- • one-third of the amount of such gain shall be passed on to consumers as a rebate in tariffs; • the remaining two-third of the amount of such gain, may be utilised at the discretion of the generating business/company or transmission business/licensee or distribution business/licensee. 2. The aggregate loss to the generating business/company as approved by the Commission, on account of controllable factors shall be borne by such generating business/company and shall not be passed on to the consumers in any manner. 3. Expenses relating to pay revision, if any, during the control period for the same level of employees as admitted in the truing up of accounts for the year 2016-17 of the Generation business/company may be considered for pass through after due prudence check.
7.	**Truing up of Aggregate Revenue Requirement and expected revenue from tariff and charges.**	• The generating business/company shall file a petition for truing up the Aggregate Revenue Requirement and expected revenue from tariff and charges of the financial years till 2017-18, within the time limit specified in these Regulations. • The petition for truing up shall be with reference to figures approved for the respective financial years.
8.	**Determination of generation tariff**	1. In the case of existing generating stations: • where the Commission has, at any time prior to the date of coming into effect of these Regulations, approved a power purchase agreement or arrangement between a generating business/company or a licensee and a distribution business/licensee or has adopted the tariff contained therein for supply of electricity from an existing generating unit/station, the tariff for supply of electricity by the generating business/company to the distribution business/licensee shall be in accordance with such agreement / arrangement and for such period as approved or adopted by the Commission or the tariff mentioned in such power purchase agreement, as the case may be; • a petition for approval of power purchase agreement or arrangement shall be made by the distribution business/licensee to the Commission within a period of three months from the date of notification of these Regulations. • the supply of electricity shall be allowed to continue under the present agreement or arrangement, until such time as the Commission approves such power purchase agreement or arrangement and shall be discontinued forthwith by the distribution licensee if the Commission rejects the petition for approval of such power purchase agreement or arrangement, for reasons to be recorded in writing. 2. In the case of new generating stations or a new arrangement or a new source of power, for the supply of electricity to the distribution business/licensee, the tariff for such supply shall be in accordance with the power purchase agreement or arrangement to be approved by the Commission. 3. In the case of the generating stations owned by the distribution licensee,- • the transfer price at which electricity is supplied by the generation business to its distribution business shall be determined by the Commission • the distribution business/licensee shall maintain separate accounts and records pertaining to their generation business and shall maintain an allocation statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and capital employed in such business.
9.	**Capital cost and capital structure**	• In the case of existing generating units/station the capital cost approved by the Commission prior to the First day of April 2018, including additional capitalisation if any and the expenditure projected for the respective financial years of the Control Period, shall form the basis for determination of tariff.

		• The capital cost approved by the Commission after prudence check shall form the basis for determination of tariff. • The capital cost may include capitalised initial spares as a percentage of the cost of plant and machinery upto cut-off date, subject to the ceiling norms, as may be revised by the Commission from time to time. • In relation to multi-purpose hydro-electric projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the project shall only be considered for determination of tariff.
10.	**Renovation, modernisation or uprating**	The generating business/company makes a petition for approval of its proposal for renovation, modernisation or uprating, the approval shall be granted after due prudence check of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis and such other factors as may be considered relevant by the Commission.
11.	**Additional capitalization**	1. The Commission may, subject to prudence check, approve the capital expenditure actually incurred after the date of commercial operation and up to the cut-off date, provided such expenditure is duly audited and is within the original scope of work. 2. All particulars of the un-discharged liabilities and works deferred for execution shall be submitted with detailed justification for the deferment along with the petition for final tariff after the date of commercial operation of the generating unit/station. 3. Impact of additional capitalization on tariff, if any, shall be considered at the time of truing up for each financial year.
12.	**Interest during construction (IDC).**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt funds or when the actual work has been commenced whichever is later and after taking into account the prudent phasing of funds upto the scheduled date of commercial operation. • If the delay is not attributable to the generating business/company and is due to uncontrollable factors interest during construction may be allowed after due prudence check. • Interest during construction on the actual loan may be allowed beyond the date of commercial operation, only if the delay is found to be beyond the control of the generating business/company after taking into account the prudent phasing of funds and after prudence check.
13.	**Debt-equity ratio**	1. For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in the case of a new generating station, or substation commissioned or capacity expanded on or after the First day of April 2018, shall be 70:30 of the capital cost approved by the Commission. 2. Where equity employed is more than 30% of the approved capital cost, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as normative loan and interest on the same may be allowed at the weighted average rate of interest of the actual loan portfolio. 3. Where actual equity employed is less than 30% of the capital cost, the actual equity shall be considered and the balance of the Commission approved capital cost after adjusting for grants and/or contribution shall be treated as normative loan. 4. The equity invested in foreign currency if any shall be designated in equivalent Indian rupees at the exchange rate specified by Reserve Bank of India as on the date of each such investment. 5. Swapping of foreign currency loans shall be permitted provided it does not have the effect of increasing the tariff. 6. Restructuring of capital in terms of relative share of equity and loan shall be permitted during the life of the project provided it does not have the effect of increasing the tariff.
14.	**Depreciation**	1. The value base for the purpose of depreciation shall be the original capital cost of the asset as approved by the Commission. 2. The generation business/company shall be permitted to recover depreciation on the value of fixed assets used in their respective business. 3. In the case of existing assets, the balance depreciable value as on the First day of April, 2018, shall be worked out by deducting the cumulative depreciation approved by the Commission upto the Thirty First day of

<table>
<tr><td></td><td></td><td>March, 2018, from the gross depreciable value of the assets.
4. Depreciation shall be chargeable from the first financial year of commercial operation.
5. In case a single tariff needs to be determined for all the units of the generating station, the depreciation shall be computed from the effective date of commercial operation of each of the unit taking into consideration the depreciation of individual generating units thereof.</td></tr>
<tr><td>15.</td><td>Return on Equity Share capital or Net Fixed Assets</td><td>Return on equity shall be computed in rupee terms, on the paid up equity share capital determined in accordance with these Regulations and shall be allowed at the rate of 14% for generating business/companies.</td></tr>
<tr><td>16.</td><td>Interest and finance charges</td><td>1. The interest and finance charges on capital works in progress shall be excluded from such consideration and not be considered in the ARR and truing up processes.
2. Notwithstanding any moratorium period availed by the generating business/company the repayment of loan shall be considered from the first financial year of commercial operation of the project and shall be equal to the depreciation allowed for that financial year.
3. The interest on loan shall be calculated average loan as per the norms approved by the Commission for the financial year by applying the weighted average rate of interest.
4. The generating business/company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and any benefit from such refinancing shall be shared in the ratio 1:1.</td></tr>
<tr><td>17.</td><td>Tax on returns</td><td>• The Commission shall provisionally approve Income Tax payable for the appropriate years of the Control Period, if any, based on permissible return on equity share capital or return on net fixed assets, as approved by the Commission relating to the generating business/company and included in the Aggregate Revenue Requirements.
• The tax on any income other than from the regulated business, shall not in any circumstances be allowed to be recovered through Aggregate Revenue Requirements.
• Changes if any in taxes other than income tax otherwise allowed as a pass through in tariff, shall be considered for determination of aggregate revenue requirements after prudence check.</td></tr>
<tr><td>18.</td><td>Interest on working capital</td><td>• The generation business/company shall be allowed interest on the normative level of working capital for the financial year.
• Interest on normative level of working capital as per this Regulation shall be allowed at a rate equal to 2% higher than the base rate as on the First day of April of the financial year in respect of which the petition for approval of Aggregate Revenue Requirement and determination of tariff is filed.</td></tr>
<tr><td>19.</td><td>Decommissioning of assets</td><td>The generation business / company shall submit to the Commission, along with the petition for approval of the Aggregate Revenue Requirement, the written value and such other details of the assets decommissioned if any, during the financial years of previous control period beginning 2015-16.</td></tr>
<tr><td>20.</td><td>Norms of operation for hydro-electric generating stations</td><td>The NAPAF for the following existing storage and pondage type hydroelectric generating stations of KSEB Limited-
<table>
<tr><th>Sl. No.</th><th>Station</th><th>Type (Storage/Pondage)</th><th>NAPAF</th></tr>
<tr><td>(i)</td><td>Idukki</td><td>Storage</td><td>90%</td></tr>
<tr><td>(ii)</td><td>Kuttiady</td><td>Storage</td><td>90%</td></tr>
<tr><td>(iii)</td><td>Pallivasal</td><td>Storage</td><td>90%</td></tr>
<tr><td>(iv)</td><td>Sengulam</td><td>Pondage</td><td>90%</td></tr>
</table>
NAPAF for the following existing storage and pondage type hydroelectric generating station
<table>
<tr><th>Sl. No.</th><th>Station</th><th>Type (Storage/Pondage)</th><th>NAPAF</th></tr>
<tr><td>(i)</td><td>Idamalayar</td><td>Storage</td><td>77%</td></tr>
<tr><td>(ii)</td><td>Kakkad</td><td>Storage</td><td>88%</td></tr>
<tr><td>(iii)</td><td>Panniar</td><td>Storage</td><td>89%</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>(iv)</td><td>Poringalakuthu</td><td>Storage</td><td>89%</td></tr>
<tr><td>(v)</td><td>Sabarigiri</td><td>Storage</td><td>90%</td></tr>
<tr><td>(vi)</td><td>Sholayar</td><td>Storage</td><td>89%</td></tr>
</table>

The NAPAF for new storage and pondage type hydro-electric generating stations where the variation in head between full reservoir level (FRL) and minimum draw down level (MDDL) is of and below 8 percent of their respective design heads and where plant availability is not affected by silt shall be ninety percent.
The NAPAF for new run-of-the-river type hydro-electric generating stations shall be determined station-wise, based on ten day design energy data, moderated by past experience if available.

</td></tr>
<tr><td>21.</td><td>Auxiliary energy</td><td>
Auxiliary energy consumption including transformation losses for existing and new hydro-electric generating stations shall be as specified in the table below:
<table>
<tr><th>Sl. No.</th><th>Type of station</th><th>Auxiliary consumption</th></tr>
<tr><td>(i)</td><td>Surface hydro-electric generating stations with rotating exciters mounted on the generator shaft</td><td>0.7 Percent</td></tr>
<tr><td>(ii)</td><td>Surface hydro-electric generating stations with static excitation system</td><td>1 percent.</td></tr>
<tr><td>(iii)</td><td>Underground hydro-electric generating station with rotating exciters mounted on the generator shaft</td><td>0.9 percent</td></tr>
<tr><td>(iv)</td><td>Underground hydro-electric generating station with static excitation system</td><td>1.2 percent</td></tr>
</table>
Actual energy consumed for pumping water for the pumped storage hydroelectric generating station shall be treated as auxiliary consumption after prudence check
</td></tr>
<tr><td>22.</td><td>Demonstration of declared capacity</td><td>

The quantum of reduction in the capacity charges for the first wrong declaration for the duration of a time block in a day, shall be the charges corresponding to two days capacity charges.
For the second wrong declaration, the quantum of reduction in capacity charges shall be equivalent to capacity charges for four days and for subsequent wrong declarations, the quantum of reduction in the capacity charges shall be increased in geometrical progression.

</td></tr>
<tr><td>23.</td><td>Tariff for sale of infirm power</td><td>The tariff for sale of infirm power from the hydro-electric generating station to the distribution business/licensee shall be equivalent to the energy charge rate for the first financial year and revenue recovered from sale of infirm power shall be deducted from the capital cost.</td></tr>
<tr><td>24.</td><td>Billing and payment of charges</td><td>In case the payment of bills is delayed beyond a period of two (2) months from the date of billing a late payment surcharge at the rate of 1.25 percent per month shall be allowed to be levied by the generation business/company.</td></tr>
</table>

Madhya Pradesh Electricity Regulatory Commission

(Terms and Conditions for determination of Generation Tariff) Regulations, 2015, dated: 21.12.2015 with amendment, dated: 07.03.2019

Sl. No.	Description	Summary
1.	**Control Period**	These Regulations shall come in force with effect from 01.04.2016, and unless reviewed earlier or extended by the Commission, shall remain in force for a period of three years i.e., upto 31.03.2019.
2.	**Applicability**	These Regulations shall apply in all cases of determination of generation tariff for a generating station or a unit thereof (other than those based on renewable sources of energy) for supply of electricity to a Distribution Licensee, but shall not apply for generating stations whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines issued by the Central Government and adopted by the Commission.
3.	**Tariff determination**	• Tariff in respect of a generating station may be determined for the whole of the generating station or stage or generating unit or block of the generating station. • Where all the generating units of a stage of a generating station have been declared under commercial operation prior to 1.4.2016, the generating company shall file consolidated petition in respect of the entire generating station for the purpose of determination of tariff for the period 2016-17 to 2018-19. • In case of multi-purpose hydro generation scheme with irrigation, flood control and power components, the capital cost chargeable to the power component of the scheme only shall be considered for determination of tariff.
4.	**Principles for Tariff determination**	The Multi-Year Tariff Principles adopted in these Regulations seek to promote competition, adoption of commercial principles, efficient working of the generating company and are based on the Central Electricity Regulatory Commission (CERC's) principles.
5.	**Submission of Annual Accounts, Reports etc.**	The generating company shall submit annual accounts and such other information in a form as may be specified by the Commission. In addition to the submission of annual accounts, the generating company shall be required to comply with the information requirements of various Regulations and Codes notified by the Commission from time to time.
6.	**Periodicity of Tariff determination**	No Tariff or part of any Tariff may ordinarily be amended, more frequently than once in any financial Year, except in respect of any changes expressly permitted under the terms of these Regulations. The Commission may, after satisfying itself for reasons to be recorded in writing, allow for other revision of Tariff.
7.	**Orders of the Commission**	The Commission, after the petition has been filed, may require the generating company to furnish any further information, particulars, documents, public records etc as the Commission may consider appropriate to enable the Commission to check and review the petitioner's calculations, assumptions and assertions.
8.	**Charging of Tariff other than approved**	• Any generating company found to be charging a Tariff different from the one approved by the Commission from the Beneficiaries, shall be deemed to have not complied with the directions of the Commission and shall be liable to be proceeded without prejudice to any other liability incurred by the generating company under any other provisions of the Act. • In case the amount recovered exceeds the amount allowed by the Commission, the excess amount so recovered shall be refunded to the Beneficiaries who have paid such excess charges, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, besides any other penalty that may be imposed by the Commission.
9.	**Annual review of the Generating Company**	The generating company shall submit periodic returns as may be specified, containing operational and cost data to enable the Commission to monitor the implementation of its order.
10.	**Capital Cost**	1. The Capital cost as determined by the Commission after prudence check

		in accordance with this Regulation shall form the basis of determination of tariff for existing and new projects. 2. The capital cost in case of existing/new hydro generating station shall also include: • cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and • cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area. 3. The following shall be excluded or removed from the capital cost of the existing and new projects: • In hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding
11.	**Check of Capital Expenditure**	The Commission may issue new guidelines or revise the existing guidelines for vetting of capital cost of hydro-electric projects by an independent agency or an expert and in that event the capital cost as vetted by such agency or expert may be considered by the Commission while determining the tariff for the hydro generating station.
12.	**Interest during Construction (IDC)**	• Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD. • In case of additional costs on account of IDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds.
13.	**Incidental Expenditure during Construction (IEDC)**	1. Incidental expenditure during construction shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD. 2. In case of additional costs on account of IEDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. 3. In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company.
14.	**Initial Spares**	Initial spares shall be capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to ceiling norms for Hydro Hydro generating stations - 4.0%
15.	**Additional Capitalisation and De-capitalisation**	• The capital expenditure in respect of the new project or an existing project incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check. • In case of de-capitalisation of assets of a generating company the original cost of such asset as on the date of de- capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.
16.	**Renovation and Modernisation**	Where the generating company makes an application for approval of its proposal for renovation and modernisation, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.
17.	**Debt-Equity Ratio**	• For a project declared under commercial operation on or after 1.4.2016, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. a. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:

		b. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment. c. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio. • In case of the generating station declared under commercial operation prior to 1.4.2016, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2016, the Commission shall approve the debt : equity ratio based on actual information provided by the generating company.
18.	**Return on Equity**	• Return on equity shall be computed in rupee terms, on the equity base determined in accordance with these Regulation. • Return on equity shall be computed at the base rate of 15.50% for hydro generating stations. • In case of projects commissioned on or after 1st April, 2016, an additional return of 0.5 % shall be allowed, if such projects are completed within the timeline.
19.	**Tax on Return on Equity**	• The base rate of return on equity as allowed by the Commission as per these Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respective financial year in line with the provisions of the relevant Finance Acts by the concerned generating company. The actual income tax on other income stream including deferred tax i.e., income of non generation business shall not be considered for the calculation of "effective tax rate". • The actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period 2016-17 to 2018-19 on actual gross income of any financial year shall be trued-up every year. • However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be allowed to be recovered or refunded to beneficiaries on year to year basis.
20.	**Interest on Loan Capital**	1. The normative loan outstanding as on 1.4.2016 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2016 from the gross normative loan. 2. The repayment for each of the year of the tariff period 2016-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de- capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset. 3. The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. 4. The generating company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company in the ratio of 2:1.
21.	**Depreciation**	1. Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof. 2. In hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant. 3. The land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. 4. In case of the existing projects, the balance depreciable value as on 1.4.2016 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2016 from the gross depreciable value of the assets. 5. In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalized asset

<table>
<tr><td></td><td></td><td>during its useful services.</td></tr>
<tr><td>22.</td><td>Interest on Working Capital</td><td>Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2016 or as on 1st April of the year during the tariff period 2016-17 to 2018-19 in which the generating station or a unit thereof , is declared under commercial operation, whichever is later.</td></tr>
<tr><td>23.</td><td>Operation and Maintenance Expenses</td><td>• The O&M expenses for the subsequent years shall be determined by escalating the expenses of the base year i.e. FY 2015-16, as determined above with the escalation factor @ 6.64% for hydro power stations respectively as considered by the Central Commission in its Tariff Regulations, 2014 for the respective financial years to arrive at permissible O&M expenses for each year of the Control Period.
• Any saving achieved by a generating company in any Year shall be allowed to be retained by it. The generating company shall bear the loss if it exceeds the targeted O&M expenses for that Year.</td></tr>
<tr><td>24.</td><td>Normative Operation and Maintenance expenses of hydel generating stations</td><td>O&M Norms for Hydel Power Stations
<table>
<tr><th>Year</th><th>O&M Expenses in Rs. In lakh/MW</th></tr>
<tr><td>FY 2016—17</td><td>9.64</td></tr>
<tr><td>FY 2017-18</td><td>10.28</td></tr>
<tr><td>FY 2018-19</td><td>10.96</td></tr>
</table>
In case of the new hydro generating stations declared under commercial operation on or after 1.4.2016, operation and maintenance expenses shall be fixed at 4% and 2.50% of the original project cost (excluding cost of rehabilitation & resettlement works) for first year of commercial operation for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be subject to annual escalation of 6.64% per annum for the subsequent years.</td></tr>
<tr><td>25.</td><td>Deviation Charges</td><td>• Variations between actual net injection and scheduled net injection for the generating stations, and variations between actual net drawal and scheduled net drawal for the beneficiaries shall be treated as their respective deviations and charges for such deviations shall be governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof.
• Actual net deviation of every generating stations and Beneficiaries shall be metered on its periphery through special energy meters (SEMs) installed by the State Transmission Utility (STU), and computed in MWh for each 15-minute time block by the concerned Load Despatch Centre.</td></tr>
<tr><td>26.</td><td>Normative Annual Plant Availability Factor (NAPAF)</td><td>Normative Annual Plant Availability Factor (NAPAF) for hydro generating stations shall be determined by the Commission as per the following criteria :
• Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt : 90%.
• Storage and Pondage type plants with head variation between full reservoir level and minimum draw down level of more than 8% and when plant availability is not affected by silt : the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.
• Pondage type plants where plant availability is significantly affected by silt: 85%.
• Run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.

Based on the above, Normative Annual Plant Availability Factor (NAPAF) of the Hydro stations already in operation shall be as follows for recovery of capacity charges
<table>
<tr><th>Station</th><th>Type of Plant</th><th>Plant Capacity (MW)</th><th>NAPAF</th></tr>
<tr><td>Gandhisagar</td><td>Storage</td><td>57.5</td><td>85%</td></tr>
<tr><td>Pench</td><td>Storage</td><td>106.7</td><td>85%</td></tr>
<tr><td>Rajghat</td><td>Storage</td><td>22.5</td><td>85%</td></tr>
<tr><td>Bargi</td><td>Storage</td><td>90.0</td><td>85%</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>Banasagar (excluding Silpara)</td><td>Storage</td><td>395.0</td><td>85%</td></tr>
<tr><td></td><td></td><td>Silpara</td><td>Run of river with pondage</td><td>30.0</td><td>90%</td></tr>
<tr><td></td><td></td><td>Birsinghpur</td><td>Storage</td><td>20.0</td><td>85%</td></tr>
<tr><td></td><td></td><td>Madhi Kheda</td><td>Storage</td><td>60.0</td><td>85%</td></tr>
<tr><td>27.</td><td>Auxiliary Energy Consumption</td><td colspan="4">• Surface Hydro generating stations with rotating exciters mounted on the generator shaft - 0.7 % of energy generated;
• Surface Hydro generating stations with static excitation system - 1 % of energy generated ;
• Underground Hydro generating stations with rotating exciters mounted on the generator shaft - 0.9 % of energy generated;
• Underground Hydro generating stations with static excitation system - 1.2 % of energy generated.</td></tr>
<tr><td>28.</td><td>Incentive</td><td colspan="4">In case of hydro generating stations incentive shall form part of the recovered Capacity (fixed) charges. No Separate incentive shall be provided in hydro power stations.</td></tr>
<tr><td>29.</td><td>Scheduling</td><td colspan="4">The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code (or any other code or Regulation) approved by the Commission.</td></tr>
<tr><td>30.</td><td>Metering and Accounting</td><td colspan="4">• Metering arrangements, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on 15 minute Time Block basis shall be organised by the State Transmission Utility and State Load Despatch Centre.
• All concerned entities (in whose premises the special energy meters are installed), shall fully cooperate with the State Transmission Utility/ State Load Despatch Centre and extend the necessary assistance by taking weekly meter readings and transmitting them to the State Load Despatch Centre.</td></tr>
<tr><td>31.</td><td>Billing and Payment of charges</td><td colspan="4">• Bills shall be raised for Capacity Charges and Energy Charges on monthly basis by the generating company in accordance with these Regulations, and payments shall be made by the beneficiaries directly to the generating company.
• Payment of Capacity Charges and Energy Charges for a Hydro generating station shall be shared by the beneficiaries of the generating station in proportion to their shares (inclusive of any allocation out of the unallocated capacity) in the saleable capacity (to be determined after deducting the capacity corresponding to free energy to home State.</td></tr>
<tr><td>32.</td><td>Rebate</td><td colspan="4">1. For payment of bills of the generating company through letter of credit on presentation or through National Electronic Fund Transfer (NEFT)/ Regional Transaction Gross Settlement (RTGS) within a period of 2 days of presentation of bills by the generating company, a rebate of 2% shall be allowed.
2. Where payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating company, a rebate of 1% shall be allowed.</td></tr>
<tr><td>33.</td><td>Late payment surcharge</td><td colspan="4">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.</td></tr>
<tr><td>34.</td><td>Sharing of CDM Benefits</td><td colspan="4">• 100% of the gross proceeds on account of CDM to be retained by the Project Developer in the first year after the Date of Commercial Operation of the generating station;
• 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.</td></tr>
<tr><td>35.</td><td>Tax on Income</td><td colspan="4">Tax on Income streams of the generating company shall not be recovered separately from the Beneficiaries</td></tr>
<tr><td>36.</td><td>Foreign Exchange</td><td colspan="4">• The generating company may hedge foreign exchange exposure in</td></tr>
</table>

	Rate Variation	respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station in part or in full in the discretion of the generating company. • Every generating company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
37.	**Recovery of cost of hedging or Foreign Exchange Rate Variation**	1. Recovery of cost of hedging or foreign exchange rate variation shall be made directly by the generating company from the beneficiaries without making any application before the Commission. 2. In case of any objections by the beneficiaries to the amounts claimed on account of cost of hedging or foreign exchange rate variation, the generating company may make an appropriate application before the Commission for its decision.
38.	**Non Tariff /Other Income**	The amount of Non-Tariff /Other Income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generation Company.

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

(Multi Year Tariff) Regulations, 2019, Dated: 01.08.2019

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	The Regulations contained in this Part shall apply to power procurement by a Distribution Licensee from a Generating Company or Trading Licensee or Distribution Licensee or from any other source through agreement or arrangement for purchase of power for distribution and supply within the State.
3.	**Multi-Year Tariff Framework**	• Determination of the Aggregate Revenue Requirement and Tariff or Fees and Charges for Generating Companies, by the Commission for each year of the Control Period, at the start of the Control Period. • Petition for Mid-term Review of operational and financial performance vis-à-vis the approved forecast for the first three years of the Control Period; and revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff, expected revenue gap, and proposed category-wise Tariffs for the fourth and fifth year of the Control Period, shall be submitted by the Generating Company. • True-up for the first and second years of the Control Period based on audited accounts and provisional true-up for the third year of the Control Period of operational and financial performance vis-à-vis the approved forecast for the respective years shall be submitted by the Generating Company along with its Petition for Mid-term Review. • The mechanism for sharing of approved gains or losses arising out of controllable/uncontrollable factors as specified by the Commission in these Regulations.
4.	**Petitions to be filed in the Control Period**	• Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2019 by Generating Companies. • Mid-Term Review Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2022 by Generating Companies. • True-up Petition, which is complete in all aspects as per these Regulations, for the third and fourth year of the Control Period shall be filed by November 1, 2024 by Generating Companies. • Petition may be filed at any time during the Control Period in case of variation in uncontrollable factors that may result in sudden, steep, and sustained increase in tariff. • The Petitioner shall submit separate audited Accounting Statements along with the Petition for determination of Tariff or Fees and Charges and Truing-up under these Regulations.
5.	**Multi-Year Tariff Petition**	• The Multi-Year Tariff Petition shall include a forecast of Aggregate Revenue Requirement and expected revenue from Tariff for each year of the Control Period in the manner specified in these Regulations, and be accompanied by applicable fees. • The capital investment plan shall show, separately, on-going projects that will spill over into the Control Period, and new projects (with justification) that will commence in the Control Period but may be completed within or beyond it, for which relevant technical and commercial details shall be provided. • Merit Order Despatch principles shall not apply to purchase of power from Renewable Energy sources up to the RPO specified by the Commission.
6.	**Mid-term Review**	A Petition for Mid-term Review and Truing-up of the Aggregate Revenue Requirement and Revenue for the Years 2020-21 and 2021-22, and provisional Truing-up for the Year 2022-23, shall be filed by November 1, 2022 by Generating Companies.

7.	**Petition for determination of Generation Tariff**	The proceedings for determination of Tariff shall be undertaken by the Commission in accordance with the Regulations governing its Conduct of Business.
8.	**Determination of Generation Tariff**	• **Existing Generating Station:** ➢ Where the Commission has, at any time prior to April 1, 2020, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the Tariff contained therein for supply of electricity from an existing generating Unit/Station, then the Tariff for supply of electricity by such Generating Company to the Distribution Licensee shall be in accordance with the Tariff mentioned in such power purchase agreement or arrangement for such period as so approved or adopted by the Commission. ➢ Where, as on April 1, 2020, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating Unit/Station or the Tariff therein has not been approved by the Commission, or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to the Distribution Licensee after April 1, 2020 shall be in accordance with a power purchase agreement approved by the Commission. • **New Generating Stations:** The Tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with the Tariff determined in accordance with these Regulations. • **Own Generating Stations:** ➢ Where a Distribution Licensee also undertakes the Business of generation of electricity, the transfer price at which electricity is supplied by its Generation Business to its Retail Supply Business shall be determined by the Commission. ➢ The Distribution Licensee shall maintain a separate record for its Generation Business and an Allocation Statement so as to enable the Commission to identify the direct and indirect costs relating to such Business and return on equity capital accruing to it.
9.	**Tariff Order**	The Commission shall, within one hundred and twenty days from receipt of a complete Petition, and after considering all suggestions and objections received from the public: ➢ issue a Tariff Order accepting the Petition with such modifications or conditions as may be stipulated in that Order; ➢ reject the Petition for reasons to be recorded in writing if such Petition is not in accordance with the provisions of the Act and the rules and Regulations made thereunder or any other provisions of law, after giving the Petitioner a reasonable opportunity of being heard.
10.	**Adherence to Tariff Order**	• No Tariff or part of any Tariff may ordinarily be amended more frequently than once in a year, except in respect of any changes expressly permitted under Z-factor Charge. • If any Generating Company or Licensee recovers a price or charge exceeding the Tariff determined accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate declared by the Reserve Bank of India prevailing during the relevant period, without prejudice to any other liability to which such Generating Company or Licensee may be subjected to. • Generating Company shall maintain separate details of such interest paid or payable by it, and shall submit them to the Commission along with its Petition.
11.	**Deviation from ceiling tariff**	• The tariff determined in these Regulations shall be a ceiling tariff, and the Generating Company and its Beneficiaries may mutually agree to charge a lower tariff. • The deviation from the ceiling tariff determined by the Commission, shall come into effect from the date agreed to by the Generating Company and the Beneficiaries.

		• The revenue loss on account of charging lower than approved tariff shall be borne entirely for all times by the Generating Company and the impact of such revenue loss shall not be passed on to the Beneficiaries, in any form.
12.	**Power Procurement Plan**	The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval.
13.	**Approval of long-term/medium-term power purchase agreement/arrangement**	• Every long-term/medium-term agreement or arrangement for power procurement, including on a Standby basis, by a Distribution Licensee from a Generating Company or Licensee or from another source of supply, and any change to an existing agreement or arrangement shall come into effect only with the prior approval of the Commission. • The prior approval of the Commission shall not be required for purchase of power from Renewable Energy sources at the generic/preferential tariff determined by the Commission for meeting its Renewable Purchase Obligation (RPO).
14.	**Financial Prudence**	• In determining the Aggregate Revenue Requirement and Tariff of the Generating Company, the Commission shall assess the financial prudence exercised with regard to the following factors: ➢ revenue; ➢ revenue expenditure; ➢ capital expenditure • In case the excess of revenue expenditure over the revenue earned exceeds 5%, the Generating Company shall submit detailed justification for the mismatch along with its Petition for True-up, including a comparison of the revenue expenditure and revenue estimated in the Petition with the amounts approved by the Commission and with the actual amount of revenue expenditure and revenue, under key heads. • In case its payment obligations to other entities are not regularly met, the Generating Company shall provide justification for such shortfall with reference to its cash flow statement.
15.	**Capital Cost**	• The capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost of Generation Project and transmission system. • The following shall be excluded from the capital cost of the existing and new projects: ➢ In hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process. ➢ Any consumer contribution or grant received from the Central or State Government or any statutory body or authority for the execution of the project, which does not carry any liability of repayment. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of Tariff. • The capital cost of the concerned asset/s shall be considered after deducting the amount of accumulated depreciation computed till the period of asset utilisation for unregulated business or for the period the assets remain unutilised, for the purpose of tariff determination. • The Commission may approve, for each year of the Control Period, an additional amount equivalent to 20% of the total capital expenditure approved for that year, towards planned or unplanned capital expenditure that is yet to be approved by the Commission. • The capital cost may include initial spares capitalised as a percentage of the Plant and Machinery cost up to the cut-off date, subject to the following ceiling norms: • Hydel Generating Stations, including pumped storage hydel generating Stations: 4.0%. • Any expenditure on replacement, renovation and modernisation or extension of life of old fixed assets, as applicable to Generating Companies or Licensees, shall be considered after writing off the net value of such replaced assets from the original capital cost.

16.	**Additional Capitalisation**	• The capital expenditure actually incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date, may be admitted by the Commission subject to prudence check. • The capital expenditure incurred or projected to be incurred in respect of a new Project within the original scope of work after the cut-off date may be admitted by the Commission, subject to prudence check. • The capital expenditure, in respect of existing generating Station, incurred or projected to be incurred beyond the original scope, may be admitted by the Commission, subject to prudence check. • The additional capital expenditure required to be undertaken by the existing generating station for compliance of the Revised Emissions Standards, may be admitted by the Commission, subject to prudence check based on the details to be submitted by the Generating Company. • Impact of additional capitalisation on Tariff, if any, shall be considered during the subsequent tariff determination process.
17.	**Debt-equity ratio**	• For a capital investment Scheme declared under commercial operation on or after April 1^{st}, 2020, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission, after prudence check for determination of 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 for the Generating Company for determination of Tariff. • Where equity actually deployed is less than 30% of the capital cost of the capitalised asset, the actual equity shall be considered for determination of Tariff. • In case of the Generating Company, if any fixed asset is capitalised on account of capital expenditure Scheme prior to April 1^{st} , 2020, the debt-equity ratio allowed by the Commission for determination of Tariff for the period ending March 31, 2020 shall be considered. • Any expenditure incurred or projected to be incurred on or after April 1^{st}, 2020, as may be admitted by the Commission as additional capital expenditure for determination of Tariff, and renovation and modernisation expenditure for life extension, shall be serviced in the manner specified in this Regulation.
18.	**Depreciation**	• The Generating Company shall be permitted to recover depreciation on the value of fixed assets used in their Businesses. • The approved original cost of the fixed assets shall be the value base for calculation of depreciation. • Depreciation shall be computed annually based on the straight line method. • The salvage value of the asset shall be considered at 10 per cent of the allowable capital cost and depreciation shall be allowed upto a maximum of ninety per cent of the allowable capital cost of the asset. • The land for reservoir in hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets. • In case of existing assets, the balance depreciable value as on April 1, 2020, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2020, from the gross depreciable value of the assets. • In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets.
19.	**Return on Equity**	• Return on Equity for the Generating Company, shall be allowed on the equity capital for the assets put to use, at the rate of up to 15.5 per cent per annum in Indian Rupee terms. • Base Return on Equity for the Generating Company, shall be allowed on the equity capital for the assets put to use, at the rate of 14 per cent per annum in Indian Rupee terms. • In case of a new project, the rate of Return on Equity shall be reduced by 1.00% for such period as may be decided by the Commission, if the generating station is found to be declared under commercial operation without commissioning of any of the Restricted

		Governor Mode Operation (RGMO) or Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system based on the report submitted by the SLDC. • In case of existing generating station, as and when any of the requirements under Regulation 29.4 are found lacking based on the report submitted by the SLDC, rate of Return on Equity shall be reduced by 1.00% at the time of true-up, for the period for which the deficiency continues.
20.	**Interest on loan**	• The normative loan outstanding as on April 1, 2020, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2020, from the gross normative loan. • The loan repayment during each year of the Control Period from FY 2020-21 to FY 2024-25 shall be deemed to be equal to the depreciation allowed for that year. • Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the Scheme and shall be equal to the annual depreciation allowed. • The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year. • Where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Generating Entity, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost. • The Generating Company, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event, the costs associated with such re-financing shall be borne by the Beneficiaries and the net savings shall be shared between the Beneficiaries and them in the ratio of 2:1, subject to prudence check by the Commission.
21.	**Foreign Exchange Rate Variation**	• The Generating Company or Licensee may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating Station or the transmission system or distribution system, in part or in full at its discretion. • To the extent that the foreign exchange exposure is not hedged, any extra rupee liability towards interest payment and loan repayment corresponding to the foreign currency loan in the relevant year shall be allowed subject to prudence check by the Commission, provided it is not attributable to such Generating Company or its suppliers or contractors.
22.	**Interest on Working Capital**	• In case of Hydro power Generating Stations including pumped storage hydel electric generating Station: • Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points, • For the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points.
23.	**Carrying Cost or Holding Cost**	• The Commission shall allow Carrying Cost or Holding Cost, as the case may be, on the admissible amounts, with simple interest, at the weighted average Base Rate prevailing during the concerned Year, plus 150 basis points. • Carrying Cost or Holding Cost shall be allowed on the net entitlement after sharing of efficiency gains and losses as approved after true-up.
24.	**Income Tax**	• The Income Tax for the Generating Company or Licensee or MSLDC for the regulated business shall be allowed on Return on Equity, including Additional Return on Equity through the Tariff charged to the Beneficiary/ies. • No Income Tax shall be considered on the amount of efficiency gains and incentive approved by the Commission, irrespective of whether or not the amount of such efficiency gains and incentive are billed separately.

		• No Income Tax shall be considered on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business, as well as on the income from any source that has not been considered for computing the Aggregate Revenue Requirement. • The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company. • Variation between the Income Tax estimated by the Commission for future year during MYT Order and Mid Term Review Order and the Income Tax approved by the Commission for the respective Year after truing up for respective year, shall be allowed for recovery as part of the Aggregate Revenue Requirement at the time of Mid-term Review or Truing-up, subject to prudence check.
25.	**Contribution to Contingency Reserves**	• Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement. • Where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed. • No diminution in the value of Contingency Reserve as mentioned above shall be allowed to be adjusted as a part of Tariff.
26.	**Rebate, Incentive, and Penalties**	• For payment of bills of generation Tariff or transmission charges or MSLDC Fees and Charges within 7 days of presentation of bills, through Letter of Credit or otherwise or through NEFT/RTGS, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • For payment of bills of retail Tariff by the consumers within 7 days of issue of bills, a rebate of 1% on the billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Penalties paid, if any, by the Generating Company or Licensee shall not be allowed as an expense for the Generating Company or Licensee.
27.	**Delayed Payment Charge and Interest on Delayed Payment**	• In case the payment of bills of generation Tariff Fees and Charges by the Beneficiary is delayed beyond a period of 30 days from the date of billing, Delayed Payment Charge on simple interest basis at the Base Rate as on 1st of the respective month plus 350 basis points per annum on the billed amount shall be levied for the period of delay by the Generating Company, notwithstanding anything to the contrary as may have been stipulated in the Agreement or Arrangement with the Beneficiaries. • In case the payment of bills of retail Tariff by the consumers is delayed beyond a period of 15 days for High Tension consumers and Extra High Tension consumers and 21 days for Low Tension consumers from the date of billing, Delayed Payment Charge on the billed amount, including the taxes, cess, duties, etc., shall be levied on simple interest basis at the rate of 1.25% on the billed amount for the first month of delay. ➢ delay in payment of bills of retail Tariff beyond 60 days and up to 90 days from the date of billing; ➢ delay in payment of bills of retail Tariff beyond 90 days from the date of billing simple interest basis at the rate of 15% per annum. • Such Delayed Payment Charge paid or payable by the Distribution Licensee to the Generating Company shall not be allowed as an expense for such Distribution Licensee.
28.	**Sale of Infirm Power**	The supply of Infirm Power shall be accounted as deviation and shall be paid at Charges for Deviation for Infirm Power in accordance with the Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019.
29.	**Non-Tariff Income**	• The amount of Non-Tariff Income of the Generating Company as approved by the Commission shall be deducted while determining its Annual Fixed Charge. • The interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Generating Company

<table>
<tr><td></td><td></td><td>shall not be included in Non-Tariff Income.
All supply of electricity by the Generating Company to the housing colonies of its operating staff and for construction works at the generating Station, shall be metered and billed separately.</td></tr>
<tr><td>30.</td><td>Normative Annual Plant Availability Factor (NAPAF)</td><td>
<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Normative Annual Plant Availability Factor</th></tr>
<tr><td>(a)</td><td>Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt</td><td>90%</td></tr>
<tr><td>(b)</td><td>Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, and where plant availability is not affected by silt</td><td>The month-wise peaking capacity as provided by the Project authorities in the Detailed Project Report, approved by the relevant authority, shall form the basis of fixation of NAPAF.</td></tr>
<tr><td>(c)</td><td>Pondage type plants where plant availability is significantly affected by silt</td><td>85%</td></tr>
<tr><td>(d)</td><td>Run-of-river type plants</td><td>To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant</td></tr>
</table>
In case of Pumped storage hydel generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the Beneficiary/ies duly taking into account the transmission losses and distribution losses up to the bus bar of the generating Station, and in return, Beneficiaries shall be entitled to energy equivalent to 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, from the generating Station during peak hours and the generating Station shall be under obligation to supply such quantum of electricity during peak hours.
The following Normative Auxiliary Energy Consumption shall apply to hydel Generating Stations:
<table>
<tr><th>Type of Station</th><th>Installed Capacity above 200 MW</th><th>Installed Capacity up to 200 MW</th></tr>
<tr><td>Surface Hydro Generating Station</td><td></td><td></td></tr>
<tr><td>Rotating Excitation</td><td>0.7%</td><td>0.7%</td></tr>
<tr><td>Static Excitation</td><td>1.0%</td><td>1.2%</td></tr>
<tr><td>Underground Hydro Generating Station</td><td></td><td></td></tr>
<tr><td>Rotating Excitation</td><td>0.9%</td><td>0.9%</td></tr>
<tr><td>Static Excitation</td><td>1.2%</td><td>1.3%</td></tr>
</table></td></tr>
<tr><td>31.</td><td>Operation and Maintenance Expenses</td><td>For Existing Stations:
The Operation and Maintenance expenses shall be derived on the basis of the average of the Trued-up Operation and Maintenance expenses after adding/deducting the share of efficiency gains/losses, for the three Years ending March 31, 2019, excluding abnormal Operation and Maintenance expenses, if any, subject to prudence check by the Commission.
The escalation rate for FY 2018-19 and FY 2019-20 shall be computed by considering 50% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of</td></tr>
</table>

		➢ the respective past five financial years as per the Office of Economic Advisor of Government of India and 50% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau, Government of India. ➢ The Operation and Maintenance expenses incurred by the Generating Company on its housing colonies and related expenses, including medical and other facilities, and on their operating staff shall be allowed separately, subject to prudence check. • Provisioning of wage revision expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered. • For New Stations: • The Operation and Maintenance expenses shall be fixed at 2% of the original Project cost (excluding cost of rehabilitation and resettlement works) for the first year of commercial operation, which shall be considered as the Base Year Operation and Maintenance expenses.
32.	**Payment of Capacity Charges, Energy Charges and Lease Rent**	• The Annual Fixed Charges of a Hydro Generating Station shall be computed on annual basis, based on norms specified under these Regulations, and recovered on monthly basis under Capacity Charge (inclusive of incentive) and Energy Charge, which shall be payable by the Beneficiaries in proportion to their respective share in the capacity of the Generating Station. • Shortfall in Energy Charges in comparison to fifty percent of the Annual Fixed Cost shall be allowed to be recovered in six equal monthly instalments. • In case the Energy Charge Rate (ECR) for a Hydro Generating Station, exceeds ninety paise per kWh, and the actual saleable energy in a Year exceeds { DE x (1 – AUX) } kWh, the Energy Charge for the energy in excess of the above shall be billed at one hundred and twenty (120) paise per kWh only.
33.	**Pumped Storage Hydro Generating Stations**	• The mechanism for billing for existing pumped storage hydel stations shall be in accordance with the Power Purchase Agreement already approved by the Commission, and shall not be in accordance with this Regulation. • The energy charge shall be payable by every Beneficiary for the total energy scheduled to be supplied to the Beneficiary in excess of the design energy plus 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir, at a flat rate equal to the average Energy Charge Rate of 20 paise per kWh on ex power plant basis. • The generator shall be required to maximize the peak hour supplies with the available water including the natural flow of water: ➢ For this purpose, outages of the Unit(s)/Station including planned outages and the forced outages up to 15% in a year shall be construed as the valid reason for not pumping water from lower elevation reservoir to the higher elevation during off-peak period or not generating power using energy of pumped water or natural flow of water.
34.	**Demonstration of declared capacity**	• The Generating Company may be required to demonstrate the declared capacity of its Generating Station as and when asked by the MSLDC. • The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. • For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression.
35.	**Billing and Payment of Charges**	It shall be done on a monthly basis.
36.	**Deviation Charges**	According to Maharashtra Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2019.

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

(Multi Year Tariff) Regulations, 2014, Dated: 15.09.2014

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	1. They shall be applicable for the determination of tariff effective from April 1st, 2015 in all cases covered under these Regulations. 2. They shall be applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees and their successors, if any. 3. These regulations shall not apply to renewable sources of energy which shall be governed by separate regulations of the Commission.
3.	**Multi-Year Tariff Framework**	• A detailed Business Plan based on the principles specified in these Regulations, for each year of the Control Period, shall be submitted by the applicant for the Commission's approval. • Based on the Business Plan, the applicant shall submit the forecast of Aggregate Revenue Requirement (ARR) for the entire Control Period and expected revenue from existing tariffs for first year of the Control Period and the Commission shall determine ARR for the entire Control Period and the tariff for the first year of the control period for the Generating Company. • Truing up of previous year's expenses and revenue based on Audited Accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors), shall be undertaken by the Commission.
4.	**Determination of base line**	The base line values (operating and cost parameters) for the base year of the control period shall be determined by the Commission based on historical data, latest audited accounts, estimates for the relevant year and prudence check as may be applied by the Commission.
5.	**Accounting statement and filing under MYT**	• The filing under MYT by the Generating Company, Transmission Licensee, and Distribution Licensee, shall be done on or before 30th November each year to the Commission and in compliance with the principles for determination of ARR as specified in these Regulations, in such formats and at such time as may be prescribed by the Commission from time to time. The filing of truing up of petitions prior to MYT period shall be done in the manner and at such time as may be decided by the Commission. • The Generating Company, Transmission Licensee, and Distribution Licensee, shall file separate audited accounting statements with the application for determination of tariff and truing up.
6.	**Business Plan**	• The Generating Company, shall file a Business Plan for the Control Period of three financial years from 1st April 2015 to 31st March 2018, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets, in accordance with guidelines and formats, as may be prescribed by the Commission from time to time. • The Commission shall consider and approve the capital investment plan for which the Generating Company, may be required to provide relevant technical and commercial details.
7.	**Multi-Year Tariff Application**	• The applicant shall submit the forecast of Aggregate Revenue Requirement for the entire Control Period and tariff proposal for the first year of the Control Period, in such manner, and within such time limit as provided in these Regulations and accompanied by such fee payable, as may be specified under the Meghalaya State Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2009, as amended from time to time. • The applicant shall develop the forecast of Aggregate Revenue Requirement using the assumptions relating to the behavior of individual variables that comprise the Aggregate Revenue Requirement during the Control Period.
8.	**Specific trajectory for certain variables**	The Generating company, may seek a review of the trajectory at the time of mid-term review of Business Plan.

9.	**Truing Up**	• The Generating Company shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations. • In respect of the expenses incurred by the Generating Company during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up. • Upon completion of the Truing Up, the Commission shall pass an order recording of the approved aggregate gain or loss to the Generating Company on account of controllable factors, Components of approved cost pertaining to the uncontrollable factors and Tariff determined for the ensuing year.
10.	**Mechanism for pass through of gains or losses on account of uncontrollable factors**	• The approved aggregate gain or loss to the Generating Company on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company over such period as may be specified in the Order of the Commission passed under these Regulations. • The Generating Company shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the prescribed format to the Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.
11.	**Mechanism for sharing of gains or losses on account of controllable factors**	1. The approved aggregate gain to the Generating Company on account of controllable factors shall be dealt with in the following manner: • One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission; • The balance amount, which will amount to two-thirds of such gain, may be utilized at the discretion of the Generating Company. 2. The approved aggregate loss to the Generating Company on account of controllable factors shall be dealt with in the following manner: • One-third of the amount of such loss, if Commission is satisfied, may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission; and • The balance amount of loss shall be absorbed by the Generating Company.
12.	**Determination of Tariff**	• The proceedings to be held by the Commission for determination of tariff shall be in accordance with the MSERC (Conduct of Business) Regulations, 2007, as amended from time to time. • Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.
13.	**Filing Procedure**	• The applicant shall file the petition for approval of truing up of previous year and tariff for ensuing financial year on or before 30th November each year provided that MYT petition for FY 2015-16 to 2017-18 shall be filed along with the business plan. • In relation to multi-purpose hydroelectric Projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the Project only shall be considered for determination of tariff.
14.	**Hearing on the application**	The Commission shall initiate a proceeding on the revenue calculations and tariff proposals given by the applicant and may hold public hearing(s) to decide on such revenue calculations and tariff proposals.
15.	**Order of the Commission**	Within a period of 120 days from the date of acceptance of the tariff application and after considering the proceedings of the hearing(s) as well as suggestions / objections received in response to the public notice, the Commission shall issue the tariff order, communicating its decisions on the aggregate revenue requirement, revenue calculations and Tariff proposals to the generating company or the licensee as the case may be.
16.	**Review of Tariff Order**	All applications for the review of tariff shall be in the form of petition accompanied by the prescribed fee. A petition for review of tariff can be admitted by the Commission under the following conditions: • the review petition is filed within sixty days for the date of the tariff order, and/or • there is an error apparent on the face of the record.
17.	**Amendment to Tariff**	No tariff or part of any tariff may be ordinarily amended, more frequently than once in any financial year, except FPPPA based on FPPPA formulae approved by the Commission from time to time.

18.	**Adherence to Tariff Order**	If any Generating Company recovers a price or charge exceeding the tariff determined under the Act and in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Generating.
19.	**Subsidy Mechanism**	With effect from the first day of April 2015, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, notwithstanding any direction which may be given in Act, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government, in the manner specified in these Regulations.
20.	**Debt-Equity Ratio**	• For a project declared under commercial operation on or after 1.4.2015, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. • Equity invested in foreign currency shall be designated in Indian rupees on the date of each investment. • Any grant obtained for execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity ratio. • In case of the generating station declared under commercial operation prior to 1.4.2015, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2015 shall be considered. • Any expenditure incurred or projected to be incurred on or after 1.4.2015 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in this regulations.
21.	**Capital Cost and capital structure**	• The capital cost may include capitalized initial spares upto 1.5% of original capital cost in case of hydro-generating stations. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The Commission shall issue guidelines for verifying the capital cost of hydro projects by an independent agency or expert and in such case the capital cost as vetted by such agency may be considered by the Commission after prudence check and reasonability of the expenses while determining the tariff. • In case the actual capital cost is lower than the approved capital cost, then the actual capital cost will be considered for determination of tariff of the Generating Company. • Any expenditure on replacement, renovation and modernization or extension of life of old fixed assets, as applicable to Generating Company, shall be considered after writing off the net value of such replaced assets from the original capital cost. • The following shall be excluded or removed from the capital cost of the existing and new project - hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding
22.	**Additional Capitalisation**	A list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating Unit/Station. Provided further that the assets forming part of the project but not put to use, shall not be considered.
23.	**Return on Equity**	• Return on equity shall be computed on the equity base determined in accordance with these regulations and shall not exceed 14%. • In case of generation projects commissioned after notification of these regulations, an additional return of 0.5 % shall be allowed if such projects are completed within the time line as specified in CERC Tariff Regulations and for the same an additional return of 1.5 % shall be allowed if such projects are completed within the original sanctioned project cost without any time and cost overrun whatsoever. • Equity invested in a foreign currency may be allowed a return up to the prescribed limit in the same currency and the payment on this account shall be made in Indian Rupees based on the exchange rate prevailing on the due date of billing.

24.	**Interest and finance charges on loan capital**	• Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of loan repayment, terms and conditions of loan agreements, bond or debenture and the lending rate specified therein. • Provided that neither penal interest nor over due interest shall be allowed for computation of tariff. • The Generating Company, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Company in the ratio of 50:50.
25.	**Depreciation**	• Depreciation shall be calculated annually as per straight-line method at the rates specified in CERC (Terms and Conditions of Tariff) Regulations, 2009 as may be amended from time to time. • Provided that land is not a depreciable asset and its cost shall be excluded from the capital cost while computing the historical cost of the asset.
26.	**Interest on Working Capital**	Interest on working capital shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed.
27.	**Tax on income**	• The Commission in its MYT Order shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid as per latest Audited Accounts available for the applicant, subject to prudence check. • Under-recovery or over-recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income-tax assessment under the Income-Tax Act, as certified by the statutory auditors. • Tax on any income stream other than the core business shall not be a pass through component in tariff and tax on such other income shall be borne by the Generating Company.
28.	**Rebate**	• For payment of bills of generation tariff charges through Letter of Credit or otherwise, within 7 days of presentation of bills, by the Generating Company, a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Where payments are made subsequently through opening of Letter of Credit or otherwise, but within a period of one month of presentation of bills by the Generating Company, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.
29.	**Delayed Payment Surcharge**	In case the payment of bills of generation tariff by the beneficiary or beneficiaries is delayed beyond a period of 30 days from the date of billing, late payment surcharge at the rate of 1.25% per month on billed amount shall be levied for the period of delay by the Generating Company.
30.	**Foreign Exchange Rate Variation**	• The Generating Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full, at the discretion of the Generating Company. • Every Generating Company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
31.	**Recovery of cost of hedging Foreign Exchange Rate Variation**	Every Generating Company shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
32.	**SLDC and Connectivity Charges**	SLDC and Connectivity charges are determined by the Commission and payable by the generating companies shall be considered as expenses.
33.	**Other Income**	Income other than income from sale of energy and UI charges gained (after introduction of intra state ABT) shall be grouped as other income. UI penalties shall not be netted off from other income. The UI penalties shall be borne by the generating company.

34.	**Sale of Infirm Power**	Any revenue other than the recovery of fuel cost earned by the generating company from sale of infirm power shall be taken as reduction in capital cost and shall not be treated as revenue.
35.	**Unscheduled Interchange Charges**	• UI shall be worked out for each 15 minutes time block. Charges for all UI transactions shall be based on average frequency of the time block and rates as specified by CERC from time to time. • UI charges for intra-state transactions will arise after intra-state ABT is notified by the Commission and becomes effective.
36.	**Capital cost**	• The actual capital expenditure on the date of commercial operation in the case of new investment shall be subject to prudence check by the commission. • In case of any abnormal delay in execution of the project causing cost and time overruns attributable due to the failure of the utility, the Commission may not approve the full capitalization of interest and overhead expenses. • The capital cost may include capitalized initial spares up to 1.5% of original Project cost. • In case the site of a hydro generating station is awarded to -a developer (not being a state controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer for getting the project site allotted shall not be included in the capital cost.
37.	**Renovation and Modernization**	• Where generating company makes an application for approval of its proposal for renovation and modernization the Commission shall give its approval after due consideration of reasonableness of cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost benefit analysis and such other factors which the Commission may consider relevant. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudent check, based on estimates for renovation and modernization already recovered from original project cost, shall form the basis for determination of tariff.
38.	**Interest and finance charges on loan capital**	• Interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the schedule of loan repayment, terms and conditions of loan agreements, bond or debenture and the lending rate prevailing therein. • The interest and finance charges attributable to Capital Work in Progress shall be excluded. • In case any moratorium period is availed of by the generating company, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
39.	**Operation and maintenance expenses**	• The normalized operation and maintenance expenses after prudent check, for the years 2003-04 to 2007-08, shall be escalated at the rate of 5.17% to arrive at the normalized operation and maintenance expenses at the 200708 price level and then averaged to arrive at normalized O&M expenses for 2003-04 to 2007-08 price level. The average normal O&M expenses at 2007-08 price level shall be escalated at the rate of 5.72% to arrive at the O&M expenses for the year 2009-10. • The O&M expenses for the year 2009-10 shall be further rationalized considering 50% increase in employee cost on account of pay revision of employees to arrive at the permissible O&M expenses for the year 200910. • In case of hydro generating stations declared under commercial operation on or after 01/04/2009, O&M expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works).
40.	**Normative annual plant availability factor (NAPAF)**	1. Storage and pondage type plants where plant availability is not affected by silt and • with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of upto 8 % : % • with head variation between FRL and MDDL of more than 8% = (Head at MDDL/Rated Head) x 0.5+0.2 2. Pondage type plant where plant availability is significantly affected by silt:85% 3. Run –of- River type plants: NAPAF to be determined plant-wise, based on 10day design energy data, moderated by past experience where available / relevant.

41.	**Auxiliary energy consumption**	1. Surface hydro electric power generating stations with rotating exciters mounted on the generator shaft : 0.7% of energy generated. 2. Surface hydro electric power generating stations with static excitation system: 1.0% of energy generated. 3. Underground hydro electric power generating stations with rotating exciters mounted on the generator shaft: 0.9% of energy generated. 4. Underground hydro electric power generating stations with static excitation system : 1.2% of energy generated.
42.	**Transformation losses**	From generation voltage to transmission voltage : 0.5% of energy generated.
43.	**Connectivity and SLDC Charges**	SLDC and transmission charges paid for energy sold outside the state shall not be considered as expenses for determining generation tariff.
44.	**Other income**	UI penalties shall not be netted off from other income. The UI penalties shall be borne by the generating company.
45.	**Sale of Infirm Power**	Any revenue earned by the generating company from sale of infirm power after accounting for the fuel expenses shall be applied for reduction in capital cost
46.	**Incentive for completion of hydro electric power generating stations ahead of schedule**	• The hydro generating station shall obtain the Commission's approval of project calendar, prior to its implementation for the purpose of claiming the incentive (s). • The incentive shall be recovered through tariff in twelve equal monthly installments during the first year of operation of the generating station. • In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalized for determination of tariff, unless the delay is not attributable to the generating Company.

NAGALAND ELECTRICITY REGULATORY COMMISSION

(Multi Year Tariff) Regulations, 2016, dated: 21.04.2016

Sl. No.	Description	Summary
1.	**Control period**	N. A.
2.	**Applicability**	• These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from April 1, 2016 and onwards; • These Regulations shall be applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees and their successors, if any.
3.	**Multi-Year Tariff framework**	The Multi-Year Tariff framework shall be based on the following elements, for determination of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating Company, Transmission Licensee, Distribution Wires Business and Retail Supply Business.
4.	**Accounting statement and filing under MYT**	The filing under MYT by the Generating Company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of ARR as specified in these Regulations, in such form as may be prescribed by the Commission from time to time. In case of a vertically integrated business, the Utility shall be required to file separate applications for determination of ARR and tariff for Generation Business.
5.	**Business Plan**	• The Generating Company, Transmission licensee, and Distribution Licensee for Distribution Wires Business and Retail Supply Business, shall file a Business Plan for the first Control Period of three (3) financial years from 1st April 2016 to 31st March 2019 and for every block of five years thereafter, in accordance with guidelines in these Regulations as amended from time to time. • The Distribution Licensee shall project the power purchase requirement based on the Merit Order Despatch principles of all Generating Stations considered for power purchase, the Quantum of Renewable Purchase Obligation (RPO) under Nagaland Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2012 as amended from time to time and the target set, if any, for Energy Efficiency (EE) and Demand Side Management (DSM) schemes. • The Generating Company shall get the Business Plan approved by the Commission.
6.	**Specific trajectory for certain variables**	While approving the Business Plan/MYT Petition, the Commission shall stipulate a trajectory for the variables, which shall include, but not be limited to Operation & Maintenance expenses, target plant load factor and distribution losses.
7.	**Truing Up**	• Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Generating Company is covered under a Multi-Year Tariff framework, then such Generating Company shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations. • The Generating Company shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations. • In respect of the expenses incurred by the Generating Company during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up.
8.	**Mechanism for sharing of gains or losses on account of controllable factors**	• The approved aggregate gain to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors shall be dealt with in the following manner: ➢ One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission; ➢ The balance amount, which will amount to two-thirds of such gain, may be utilized at the discretion of the Generating Company or Transmission Licensee or Distribution Licensee.

		• The approved aggregate loss to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors shall be dealt with in the following manner: ➢ One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 10.6; and ➢ The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or Distribution Licensee.
9.	**Determination of Tariff**	• The proceedings to be held by the Commission for determination of tariff shall be in accordance with the NERC (Conduct of Business) Regulations, 2010, as amended from time to time. • Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government.
10.	**Determination of Generation Tariff**	• **Existing generating stations:** Where, as on the date of effectiveness of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to such Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission. • **New generating stations:** The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with tariff as per power purchase agreement approved by the Commission. • **Own generating stations:** ➢ Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission. ➢ The Distribution Licensee shall submit a separate application for determination of tariff Generation along the information required relating to the Generation Business.
11.	**Tariff Order**	The Commission shall, within one hundred and twenty (120) days from the date of registration of a complete application and after considering all suggestions and objections received from the public issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in that Order.
12.	**Adherence to Tariff Order**	• No tariff or part of any tariff may be ordinarily amended, more frequently than once in any financial year, except FPPPA based on FPPPA formulae approved by the Commission from time to time. • If any Generating Company recovers a price or charge exceeding the tariff determined in accordance with these Regulations, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate of the Reserve Bank of India without prejudice to any other liability incurred by such Generating Company.
13.	**Annual determination of tariff**	The Commission shall determine the tariff of a Generating Company covered under a Multi-Year Tariff framework for each financial year during the Control Period, at the commencement of such financial year.
14.	**Subsidy Mechanism**	With effect from the first day of April 2016, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government, in the manner specified in these Regulations.

15.	**Debt-equity ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in case of a new generating station or capacity expanded after 1.4.2016 shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual equity shall be considered. • In case of retirement or replacement of assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of the retired or replaced asset.
16.	**Capital Cost**	• The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The actual capital expenditure on COD for the original scope of work based on audited accounts of the Company limited to original cost may be considered subject to the prudence check by the Commission. • Where the power purchase agreement or bulk power transmission agreement provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling. • The capital cost may include capitalized initial spares - upto 1.5% of original capital cost in hydro-generating stations. • In case the site of a Hydro Generating Station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a transparent process of bidding or otherwise, any expenditure incurred or committed to be incurred including the premium payable to the State Government by the project developer for getting the project site allotted, shall not be included in the capital cost. • In hydro generating station, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the Generating Company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work, which has become necessary for successful and efficient plant operation.
17.	**Additional capitalisation**	• Any additional works/services, which have become necessary for efficient and successful operation of a generating station but not included in the original capital cost. • Impact of additional capitalization on tariff, as the case may be, shall be considered during Truing Up of each financial year of the Control Period.
18.	**Return on Equity**	• Return on equity shall be computed on the paid up equity capital relatable to the Generating and shall be allowed at the rate of 15.5% for Generating Companies, including hydro generation stations above 25 MW, Transmission Licensee, and Distribution Licensee: • In case of generating projects commissioned on or after 1st April, 2016, an additional return of 0.5% shall be allowed if such projects are completed within the timeline. • The premium raised by the Generating Company while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure.
19.	**Interest and finance charges on loan capital**	• Interest and finance charges on capital works in progress shall be excluded. • In case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of the retired or replaced assets, based on documentary evidence. • The normative loan outstanding as on April 1, 2016, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2016 from the gross normative loan. • The repayment for the year during the tariff period from FY 2016-17 to FY 2018-19 and every block of five years thereafter shall be deemed to be equal to the depreciation allowed for that year. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company. • Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and

		Retail consumers at the Bank Rate as on 1stApril of the financial year in which the Petition is filed.
20.	**Depreciation**	• The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. • The Generation Company shall be permitted to recover depreciation on the value of fixed assets used in their respective Business computed in the following manner: ➢ The approved original cost of the project/fixed assets shall be the value base for calculation of depreciation; ➢ Depreciation shall be computed annually based on the straight line method at the rates specified in these Regulations. • The remaining depreciable value as on 31^{st} March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets. • For a Generating Company formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of the Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets. • In the hydro generating station, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government. • The land for reservoir in hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • Depreciation will be re-calculated during truing-up for assets capitalised at the time of Truing Up of each year of the Control Period, based on documentary evidence of asset capitalised by the applicant, subject to the prudence check of the Commission, such that the depreciation is calculated proportionately from the date of capitalisation.
21.	**Interest on Working Capital**	• In case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations. • Interest on working capital shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1^{st} April of the financial year in which the Petition is filed.
22.	**Tax on income**	• The Commission in its MYT Order shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid as per latest Audited Accounts available for the applicant, subject to prudence check. • Under-recovery or over-recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income- tax assessment, as certified by the statutory auditors. The Generating Company, may include this variation in its truing up Petition.
23.	**Rebate**	For payment of bills of generation tariff or wheeling charges through Letter of Credit or otherwise, within 7 days of presentation of bills, by the Generating Company, a rebate of 2% on bi led amount, excluding the taxes, cess, duties, etc., shall be allowed. Where payments are made subsequently through opening of Letter of Credit or otherwise, but within a period of one month of presentation of bills by the Generating Company a rebate of 1% on bi led amount, excluding the taxes, cess, duties, etc., shall be allowed or otherwise as per the rebate scheme offered by the Generating Company approved by the Commission.
24.	**Delayed Payment Surcharge**	In case the payment of bills of generation tariff or transmission charges or wheeling charges by the beneficiary or beneficiaries is delayed beyond a period of 30 days from the date of bi ling, late payment surcharge at the rate of 1.25% per month on bi led amount shall be levied for the period of delay by the Generating Company or the Transmission Licensee or the Distribution Licensee, as the case may be or otherwise as per the scheme mutually agreed by the interest party(s) and dully approved by the Commission.
25.	**Foreign Exchange Rate Variation**	Every Generating Company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to- year basis as expense in the period in which it

		arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt. To the extent the Generating Company is not able to hedge the foreign exchange exposure, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the Generating Company.
26.	**Recovery of cost of hedging Foreign Exchange Rate Variation**	Every Generating Company and the Transmission Licensee and the Distribution Licensee shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
27.	**Petition for determination of generation tariff**	• Tariff in respect of a Generating Station under these Regulations may be determined Stage- wise, Unit-wise or for the whole Generating Station. • Where the tariff is being determined for a Stage or Unit of a Generating Station, the Generating Company shall adopt a reasonable basis for allocation of capital cost relating to common facilities and allocation of joint and common costs across all Stages or Units, as the case may be. • A Generating Company may file a Petition for determination of provisional tariff in advance of the anticipated Date of Commercial Operation of the Unit or Stage or Generating Station as a whole, as the case may be, based on the capital expenditure actually incurred up to the date of making the Petition or a date prior to making of the Petition, duly audited and certified by the statutory auditors and the provisional tariff shall be charged from the date of commercial operation of such Unit or Stage or Generating Station, as the case may be. • A Generating Company shall file a fresh Petition in accordance with these Regulations, for determination of final tariff based on actual capital expenditure incurred up to the date of commercial operation of the Generating Station duly certified by the statutory auditors based on Audited Annual Accounts. • In relation to multi-purpose hydroelectric Projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the Project only shall be considered for determination of tariff.
28.	**Renovation & Modernization**	Where the Generating Company files an application for approval of its proposal for Renovation and Modernisation, the approval shall be granted after due consideration of reasonableness of the cost estimates, schedule of completion, use of efficient technology, cost- benefit analysis, and such other factors as may be considered relevant by the Commission.
29.	**Non-Tariff Income**	The amount of Non-Tariff Income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generation Company. The interest earned from investments made out of Return on Equity corresponding to the regulated business of the Generating Company shall not be included in Non-Tariff Income.
30.	**SLDC and Connectivity Charges**	SLDC and Connectivity charges are determined by the Commission and payable by the generating companies shall be considered as expenses; SLDC and Transmission charges paid for the energy sold outside the state shall not be considered as expenses for determining generation tariff.
31.	**Unscheduled Interchange (UI) charges (Intra State ABT scenario)**	Variation between actual generation or actual drawal and scheduled generation or scheduled drawal shall be accounted for through Unscheduled Interchange (UI) Charges. UI for a generating station shall be equal to its actual generation minus its scheduled generation. UI shall be worked out for each 15 minutes time block. Charges for all UI transactions shall be based on average frequency of the time block and rates as specified by CERC from time to time. UI charges for intra-state transactions will arise after intra-state ABT is notified by the Commission and becomes effective.
32.	**Demonstration of declared capacity**	• The Generating Company may be required to demonstrate the declared capacity of its generating station as and when asked by State Load Dispatch Centre. In the event of the Generating Company failing to demonstrate the declared capacity, the capacity charges due to the Generating Company shall be reduced as a measure of penalty. • The quantum of penalty for the first miss-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration, the penalty shall be

<table>
<tr><td></td><td></td><td colspan="2">equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression.</td></tr>
<tr><td>33.</td><td>Billing and Payment of Charges</td><td colspan="2">The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations shall be done on a monthly basis.</td></tr>
<tr><td>34.</td><td>Reactive Energy Charges</td><td colspan="2">A generating station shall inject/absorb the reactive energy into the grid as per the directions of State Load Dispatch Centre. Such injection/absorption may be undertaken on the basis of machine capability and in accordance with the directions issued by SLDC. Reactive energy exchange, only if made as per the directions of State Load Dispatch Centre, for the applicable duration (injection or absorption) shall be compensated to the generating station at the rate of 10.00 paise/kVArh for FY 2016-17 escalated at 0.5 paise/kVArh annually in subsequent years of the Control Period, unless otherwise revised by Commission</td></tr>
<tr><td rowspan="5">35.</td><td rowspan="5">Normative annual plant availability factor (NAPAF)</td><td>Particulars</td><td>Normative Annual Plant Availability Factor</td></tr>
<tr><td>Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt</td><td>90%</td></tr>
<tr><td>Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt</td><td>Plant-specific allowance to be provided in NAPAF for reduction in MW output capability as reservoir level falls over the months. As a general guideline the allowance on this account in terms of a multiplying factor may be worked out from the projection of annual average of net head, applying the formula: (Average head / Rated head) + 0.02 Alternatively, in case of a difficulty in making such projection, the multiplying factor may be determined as: (Head at MDDL/Rated head) x 0.5 + 0.52</td></tr>
<tr><td>Pondage type plants where plant availability is significantly affected by silt</td><td>85%</td></tr>
<tr><td>Run-of-river type plants</td><td>To be determined plant-wise, based on 10-day design energy data, mode-rated by past experience where available/relevant</td></tr>
<tr><td>36.</td><td>Auxiliary energy consumption</td><td colspan="2">• Surface hydro electric power generating stations with rotating exciters mounted on the generator shaft : 0.7% of energy generated.
• Surface hydro electric power generating stations with static excitation system: 1.0% of energy generated.
• Underground hydro electric power generating stations with rotating exciters mounted on the generator shaft : 0.9% of energy generated.
• Underground hydro electric power generating stations with static excitation system: 1.2% of energy generated.</td></tr>
<tr><td>37.</td><td>Operation and Maintenance Expenses for Hydro Generating Stations</td><td colspan="2">For Existing Station:
➢ The Operation and Maintenance expenses including insurance shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2015, subject to prudence check by the Commission.
➢ The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2014 and shall be escalated at the escalation factor of 4 % to arrive at operation and maintenance expenses for FY 2016-17.
➢ The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above for FY 2016-17, at the escalation factor of 5.72% to arrive at permissible O&M expenses for each year of the Control Period.</td></tr>
</table>

		For New Stations: ➢ O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works). ➢ The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 5.72%.
38.	**Capacity Charges and Energy Charges**	• In case the Energy Charge Rate (ECR) for a hydro generating station, exceeds eighty paise per kWh, and the actual saleable energy in a year exceeds { DE x (100 – AUX) / 10000 } MWh, the Energy Charge for the energy in excess of the above shall be billed at eighty paise per kWh only. • The State Load Dispatch Centre shall finalize the schedules for the hydro generating stations, in consultation with the beneficiaries, for optimal utilization of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the generating station.
39.	**Incentive for completion of hydroelectric power generating stations ahead of schedule**	• In case of commissioning of a hydroelectric power generating station or an unit thereof ahead of schedule, the generating station shall become eligible for incentive of an amount equal to the pro-rata amount of reduction in interest during construction achieved by such commissioning, ahead of schedule. • The incentive shall be recovered through tariff in twelve equal monthly installments during the first year of operation of the generating station. • In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalized for determination of tariff, unless the delay is not attributable to the generating Company.
40.	**Sharing of CDM Benefits**	• 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be; • 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 or the transmission licensee, as the case may be, and the beneficiaries.

ODISHA ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Generation Tariff) Regulations, 2014, Dated: 08.09.2014

Sl. No.	Description	Summary
1.	**Control Period**	These Regulations shall come into force on the date of publication in the Official Gazette, and unless reviewed earlier or extended by the Commission shall remain in force till 31.03.2019.
2.	**Applicability**	These Regulations shall be applicable to all existing and future Generating Stations supplying power to GRIDCO (The State designated entity to procure power for DISCOMs) / distribution licensees of the State under long term agreement except generating stations which are subject to the jurisdiction of the Central Commission and also such renewable energy generating stations located in the State whose tariff is decided by the Commission under relevant Regulations and orders.
3.	**Tariff Determination**	• Notwithstanding anything contained in these Regulations, the Commission shall at all times have the authority, either on suo motu basis or on a Petition filed by the applicant, to determine the tariff, including terms and conditions thereof, of any generating company. • Tariff in respect of a generating station may be determined for the whole of the generating station or a unit or units of the generating station. • Tariff shall be determined for units after the cut-off date of the last unit in the units or after the capital cost of the last unit in the units is finalized, whichever is earlier. • In relation to multi-purpose hydro schemes, with irrigation, flood control and power components, the capital cost chargeable to the power component of the scheme only shall be considered for determination of tariff. • The commission, if need arises, due to insufficiency of data, explanation, information etc provided by the petitioner, may issue provisional tariff for the whole of the generating station or a unit or units of the generating station till such time final tariff is determined.
4.	**Tariff Filing**	1. The generating company may make an application for determination of tariff, in respect of the units of the generating station completed or projected to be completed within six months from the date of application. 2. The existing generation plants of OHPC and OPGC may make an application as per the Format prescribed by the Commission for determination of tariff as per annual schedule, by November 30th of every year for determination of tariff in respect of the units of the generating station completed or projected to be completed within six months from the date of application. 3. Every application for determination of tariff or for continuation of previously determined tariff shall be accompanied by a fee as specified by the commission for filing of petitions or applications before the Commission, as amended from time to time. 4. True up for any period shall be governed by the provisions of the regulation under which the tariff for that year was determined.
5.	**Truing Up of Capital Expenditure and Tariff**	1. The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.03.2019, as admitted by the Commission after prudence check at the time of truing up. 2. The generating company may in its discretion make an application before the Commission one more time prior to 2018-19 for revision of tariff. 3. The generating company shall submit for the purpose of truing up, details of capital expenditure and additional capital expenditure incurred for the period from 01.04.2014 to 31.03.2019, duly audited and certified by the auditors.

		4. Where after the truing up, the tariff recovered exceeds the tariff approved by the Commission under these regulations, the generating company shall refund to the beneficiaries, the excess amount so recovered along with simple interest at the rates specified in the proviso to this regulation. 5. Where after the truing up, the tariff recovered is less than the tariff approved by the Commission under these regulations the generating company shall recover from the beneficiaries, the under-recovered amount along with simple interest at the rates specified in the proviso to this regulation. 6. The existing generation plants of OHPC and OPGC may file an application each year for truing up of its generating stations of the previous year(s), with respect to the capital expenditure including additional capital expenditure incurred up to last day of the previous year(s) and determination of revenue gap/surplus for the ensuing year, within the time limit as specified by the Commission.
6.	**Capital Cost of the Project**	1. capital cost in case of such hydro Generating Station shall include: a. Cost of approved Rehabilitation and Resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and b. Cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area. 1. Capitalised initial spares subject to the ceiling norms specified as under - Hydro generating stations including pumped storage hydro-electric generating station - 1.0 % of original project cost. 2. The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. 3. In case the site of a Hydro Generating Station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a transparent process of bidding, any expenditure incurred or committed to be incurred including the premium payable to the State Government by the project developer for getting the project site allotted, shall not be included in the capital cost.
7.	**Additional Capitalisation**	• The capital expenditure incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check. • The details of works included in the original scope of work along with estimates of expenditure, un-discharged liabilities and the works deferred for execution shall be submitted along with the application for determination of tariff.
8.	**Sale of Infirm Power**	• Supply of infirm power shall be accounted as deviation and shall be paid for from the regional or State deviation settlement fund accounts in accordance with the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014 as amended from time to time. • Any revenue earned by the generating company from sale of infirm power after accounting for the fuel expenses shall be applied for reduction in capital cost.
9.	**Debt-Equity Ratio**	1. For a project declared under commercial operation on or after 01.04.2014, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. 2. In case of a generating station where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff. 3. In case of the generating station declared under commercial operation prior to 01.04.2014, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2014 shall be considered. 4. Any expenditure incurred or projected to be incurred on or after 01.04.2014 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension the normative debt-equity

		ratio shall be considered to be 70:30 for determination of tariff.
10.	**Renovation and Modernization**	• Where the generating company, makes an application for approval of its proposal for renovation and modernization, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
11.	**Return on Equity**	• Return on equity shall be computed in rupee terms, on the equity base determined in accordance with these Regulations. • Return on equity shall be computed @ 16% of the equity amount.
12.	**Tax on Income**	• Income tax of the Generating Company shall be recovered from the beneficiaries. This will exclude income tax on other income streams (income from non-generation and non-transmission business). • The actual assessment of income tax should take into account benefits of tax holiday and the credit for carry forward losses applicable as per the provisions of the Income Tax Act 1961 and shall be passed on to the consumers.
13.	**Interest on Loan Capital**	1. The normative loan outstanding as on 01.04.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2014 from the gross normative loan. 2. The loan repayment for each year of the tariff period 2014-15 to 2018-19 shall be deemed to be equal to the depreciation allowed for that year. 3. 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. 4. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project. 5. The generating company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such refinancing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company, in the ratio of 1:1. 6. In case of dispute, any of the parties may make an application in accordance with the Conduct of Business Regulations, as amended from time to time.
14.	**Depreciation**	1. In hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site. 2. Capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff. 3. The land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. 4. In case of the existing projects, the balance depreciable value as on 01.04.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.03.2014 from the gross depreciable value of the assets. 5. Depreciation shall be chargeable from the first year of commercial operation.
15.	**Interest on Working Capital**	• Rate of interest on working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1.4.2014 or on 1st April of the year in which the generating station or a unit thereof, is declared under commercial operation, whichever is later.

		• For the existing generation plants of OHPC and OPGC the rate of interest on working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1st April of the year for which the application for determination of tariff is being made. • Interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency.
16.	**Operation and Maintenance Expenses**	1. Hydro generating station: In hydro generating stations declared under commercial operation on or after 01.04.2014, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation & resettlement works) and shall be subject to annual escalation of 5.72% per annum for the subsequent years. 2. O&M norms for the existing plants of OPGC and OHPC will be as determined by the commission from time to time. 3. The water charges as paid by the thermal generating stations shall be allowed separately basing on the actual consumption.
17.	**Normative annual plant availability factor (NAPAF) for hydro generating stations**	• Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt - 90% • Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt: the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF. • Pondage type plants where plant availability is significantly affected by silt - 85% • Run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant. • A further allowance may be made by the Commission in NAPAF determination under special circumstances, e.g. abnormal silt problem or other operating conditions, and known plant limitations. • In case of a new hydro electric project the developer shall have the option of approaching the Commission in advance for fixation of NAPAF based on the principles enumerated in the Regulations. • The Normative annual plant availability factor (NAPAF) for existing Hydro Generating Stations of OHPC Ltd will be as determined by the commission from time to time.
18.	**Auxiliary Energy Consumption (AUX) for hydro generating stations**	1. Surface hydro generating stations a. With rotating exciters mounted on the generator shaft 0.70% b. With static excitation system 1.00% 2. Underground hydro generating stations a. With rotating exciters mounted on the generator shaft 0.90% b. With static excitation system 1.20%
19.	**Scheduling**	The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code.
20.	**Metering and Accounting**	The provisions of the Grid Code shall be applicable.
21.	**Billing and Payment of Charges**	• Bills shall be raised for capacity charge, energy charge Fuel Surcharge Adjustments and Incentive on monthly basis by the generating company, and payments shall be made by the beneficiaries directly to the generating company, subject to adjustments at the end of the year. • Payment of capacity charge and energy charge for a hydro generating station shall be shared by the beneficiaries of the generating station in proportion to their shares (inclusive of any allocation out of the unallocated capacity) in the saleable capacity.
22.	**Late Payment Surcharge**	In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary beyond a period of 30 days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied by the generating company.

23.	**Rebate**	• The bills of the generating company on presentation for payment through letter of credit or through NEFT/RTGS within a period of 2 working days, a rebate of 2% shall be allowed. • Where payments are made on any day after 2 working days and within a period of 30 days of presentation of bills by the generating company, a rebate of 1% shall be allowed.
24.	**Incentive**	1. Incentive to a generating station or unit thereof shall be payable at a flat rate of 50 paise/kWh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor (NAPLF) as specified in Regulation. 2. The incentive applicable and payable to the existing plants of OPGC and OHPC will be as determined by commission from time to time.
25.	**Sharing Of CDM Benefits**	• 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station • 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.
26.	**Foreign Exchange Rate Variation**	• The generating company, may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full in the discretion of the generating company. • Every generating company shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
27.	**Recovery of Cost of Hedging Foreign Exchange Rate Variation**	Recovery of cost of hedging and foreign exchange rate variation shall be made directly by the generating company, from the beneficiaries, without making any application before the Commission.
28.	**Reimbursement of Fees, Charges and Expenses**	Fees and charges paid by the generating companies under the prevailing Regulation/Notification on Fees for filing of petitions or applications before the Commission, as amended from time to time, shall be reimbursed directly by the beneficiaries in proportion of their allocation in the generating stations. The generating company shall be entitled to recover the fees and charges according to these regulations which have been paid till the notification of these regulations.

PUNJAB STATE ELECTRICTY REGULATORY COMMISSION

(Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019, Dated: 29.05.2019

Sl. No.	Description	Summary
1.	**Control Period**	
2.	**Applicability**	• Tariff for supply of electricity from a generating plant (excluding Renewable Energy Sources) owned by the Distribution Licensee. • Tariff for supply of electricity by a Generating Company (excluding Renewable Energy Sources) to a Distribution Licensee. • Tariff for intra-state transmission of electricity by a Transmission Licensee to an open access customer (including Distribution Licensee). • State Load Despatch Centre (SLDC) fees and charges. • Tariff for wheeling and retail supply of electricity by a Distribution Licensee.
3.	**Framework and Guiding Principles**	• The norms specified under these Regulations are the ceiling norms and this shall not preclude the generating company and/or licensee or any other person, as the case may be, from agreeing to improved norms of operation. In case the improved norms are agreed to, such norms shall be applicable for determination of tariff. • The Commission shall specify ARR for each year of the Control Period and tariff for the first year of the Control Period for each business separately. However, the Commission may specify indicative tariff for the remaining years of the Control Period in the MYT order. • Losses on account of controllable items or normative parameters will not be passed on to the consumers except where the Commission otherwise considers appropriate to allow such variations on justification to be provided by the applicant or for reasons.
4.	**Segregation of ARR of Generation and Distribution Businesses**	• The Distribution Licensee also carrying out the generation business shall segregate the accounts of the Company into generation business (separate for each of the generating plant) and distribution business. The Distribution Licensee, based on segregated accounts, shall submit separate ARRs for generation and distribution businesses. The ARR for generation shall be used to determine generation tariff and the ARR for distribution business to determine wheeling charges and retail tariffs. • The Allocation Statement shall be considered by the Commission only if it is certified by the Statutory Auditor/Cost Auditor and approved by the Board of Directors of the Distribution Licensee, and it shall be accompanied with an explanation of the methodology which shall be consistent over the Control Period.
5.	**Baseline Values**	The baseline values shall be inter-alia based on figures approved by the Commission in the past, last three years' Audited/Provisional Accounts, estimate of the expected figures for the relevant year, industry benchmarks/norms and other factors considered appropriate by the Commission.
6.	**Forecast of expected Revenue from Tariff**	The applicant shall develop the forecast of expected revenue from tariff and charges separately for each business. The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies/or secondary research and contractual arrangements, to enable the Commission to assess the reasonableness of the forecast.
7.	**Business Plan Including Capital Investment Plan**	• The Applicant shall file the Business Plan including the Capital Investment plan for its Generation, for approval of the Commission on or before 20th August of the year preceding the first year of the Control Period for a duration covering the entire Control Period. • The Distribution Licensee carrying out the Generation Business shall file separate Business Plans for its Generation and Distribution businesses. • The Business Plan for Distribution Business shall be based on load forecast of the State and Regulations. • The Capital Investment Plan in case of a new or expansion in an existing generating station shall also include cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with the National R&R Policy and R&R package. • In case the capital expenditure incurred for approved schemes exceeds the amount as approved in the capital expenditure plan, the balance amount and the incidental

		• cost shall be trued up by the Commission after prudence check after the end of Control Period. • The applicant shall extend all cooperation to the STU for providing data/information required for carrying out the planning activity effectively.
8.	**Multi Year Tariff Application**	• The Applicant shall submit the forecast of Aggregate Revenue Requirement for each year of the Control Period and tariff proposal for the first Year of the Control Period, in a manner as provided in these Regulations and in formats specified by the Commission from time to time. The application shall be accompanied by such fee payable, as may be specified by the Commission in the PSERC (Fee) Regulations 2005 as amended from time to time. • The The Applicant shall publish its application filed for Multi Year Tariff / Annual Revenue Requirements as required by Conduct of Business Regulations.
9.	**Annual Performance Review, Truing-Up and Tariff Determination during the Control Period**	• The Applicant shall make an application for Annual Performance Review and tariff resetting on or before 30th November of each year of the Control Period. • The Applicant shall provide any other information, as may be asked for by the Commission with a view to assess the reasons and extent of any variation in the performance from the approved forecast and the need for tariff resetting. • The Commission shall review the application made under the preceding clauses based on the same principles as approved in the MYT Order on original application for determination of ARR and Tariff and upon completion of such review, either approve the proposed modification(s) with such changes as it deems appropriate, or reject the application for reasons to be recorded in writing.
10.	**True Up**	• Truing up of the ARR of the previous year shall be carried out and shall be adjusted in the ARR of the next year of the Control Period. • Truing up of uncontrollable items shall be carried out at the end of each year of the Control Period based on prudence check. • In case of any change in the approved amounts (positive or negative) during the True-up exercise, the Commission shall consider the approved carrying cost as a separate item of the ARR. • The Commission may allow/recover the carrying cost for the trued up amount at the interest rate. • No carrying cost shall be permitted for the period of delay in filing of True-up on account of non-submission of audited accounts due to the fault of the utility.
11.	**Review at the end of the Control Period**	• At the end of the Control Period, the Commission shall review the achievement of objectives and implementation of the principles of MYT laid down in these Regulations. • The end of the Second Control Period shall be the beginning of the third Control Period.
12.	**Components of Tariff for Generation Business**	The tariff for supply of electricity from a Hydro Power Generating Station shall comprise of capacity charge and energy charge to be derived in the manner specified for recovery of Annual Fixed Cost.
13.	**Approval of provisional tariff for a generating station**	A Generating Company may also file a petition, not more than six months prior to the anticipated COD, for determination of provisional tariff of the Unit or Stage or Generating Station as a whole, as the case may be, based on the capital expenditure actually incurred up to the date of making the petition or a date prior to making of the petition, duly audited and certified by the statutory auditors and the provisional tariff shall be charged from the date of commercial operation of such Unit or Stage or Generating Station, as the case may be.
14.	**Transmission Charges or Network Usage Charges**	The Network Usage Charges or Transmission Tariff, payable by the beneficiaries of the Transmission System shall be designed to recover the Aggregate Revenue Requirement approved by the Commission for each year of the Control Period.
15.	**Reactive Power Charges**	Reactive power charges shall be levied as per the relevant provisions of Punjab State Electricity Regulatory Commission (Grid Code) Regulations, 2013, as amended from time to time.
16.	**SLDC Charges or System Operation Charge**	These shall be levied as SLDC charges upon the beneficiaries/users of the services of SLDC in accordance with the provisions of these Regulations.
17.	**Capital Cost**	• The Capital cost of the generating station or the transmission system, as the case may be, as determined by the Commission after prudence check in accordance with these Regulations shall form the basis for determination of tariff for existing and new projects.

<table>
<tr><td></td><td></td><td>• The capital cost shall also include capitalised initial spares subject to the following ceiling norms:
➢ Hydro generating plants: 1.5%
• In case of transmission business, the capitalised initial spares subject to following ceiling norms as a percentage of the original project cost as on the cut-off date:
➢ Transmission Line: 0.75%
➢ Transmission Substation: 2.50%
➢ Series compensation device and HVDC Station: 3.50%
• In relation to multi-purpose hydro schemes, with irrigation, flood control and power components, the capital cost chargeable to the power component of the scheme only shall be considered for determination of tariff.
• The Commission may get the capital cost of hydro-electric projects vetted by an independent agency or expert and in that event the capital cost as vetted by such agency or expert may be considered by the Commission while determining the tariff for the hydro generating station.</td></tr>
<tr><td>18.</td><td>Additional Capitalization</td><td>• The Capital Expenditure incurred or projected to be incurred, within the original scope of work, after the Date of Commercial Operation and up to the cut-off date may be admitted by the Commission, subject to prudence check: Un-discharged/Deferred liabilities; Works deferred for execution; Liabilities to meet award of arbitration or for compliance of the order or decree of a court; On account of change of law; Procurement of initial capital spares in the original scope of work, subject to ceiling.
• The Capital Expenditure of the following nature actually incurred after the cut-off date may be admitted by the Commission subject to prudence check: In hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the Generating Company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation.
• Any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. bought after the cut-off date shall not be considered for additional capitalization for determination of tariff.
• Any expenditure on replacement of old assets or renovation and modernization or life extension shall be considered on normative debt-equity ratio specified in this Regulation after writing off the entire value of the original assets from the original capital cost of the asset replaced.</td></tr>
<tr><td>19.</td><td>Debt Equity Ratio</td><td>• Existing Projects - In case of the capital expenditure projects having COD prior to the effective date, the debt-equity ratio shall be as allowed by the Commission for determination of tariff for the period prior to the effective date.
• New Projects: For capital expenditure projects declared under commercial operation on or after the effective date:
1. A Normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;
2. In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;
3. In case, the actual equity employed is less than 30%, the actual debt-equity ratio shall be considered;
• Renovation and Modernization: Any approved capital expenditure incurred on Renovation and Modernization including the approval in the Capital Investment plan shall be considered to be financed at normative debt-equity ratio of 70:30. If the actual equity employed is less than 30% then the actual debt equity ratio shall be considered.</td></tr>
<tr><td>20.</td><td>Return on Equity</td><td>• Return on equity shall be computed at the base rate of 15.5% for run of the river hydro generating stations and at the base rate of 16.5% for the storage type hydro generating stations and run of river generating stations with pondage and 16% for Distribution Licensee on the paid up equity capital.
• Assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity.</td></tr>
<tr><td>21.</td><td>Depreciation</td><td>• In hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the asset.
• Depreciation shall be chargeable from the first year of commercial operation/asset is put in use.</td></tr>
</table>

22.	**Foreign Exchange Rate Variation**	• The Applicant may hedge foreign exchange exposure in respect of the interest on foreign currency loans and repayment of foreign loans acquired for the generating station, transmission system or distribution system, as the case may be, in part or full at the discretion of the Applicant. • The Applicant shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
23.	**Income Tax**	• Obligatory taxes, if any, on the income of the Generating Company shall be computed as an expense and shall be recovered from the customers/consumers. • Tax on any income other than return on equity shall not constitute a pass through component in the tariff and tax on such other income shall be payable by the Generating Company or the Licensee or the SLD. • The benefits of tax holiday and the credit for carrying forward losses applicable as per the provision of the Income Tax Act, 1961 shall be fully passed on to the customers/consumers. • The penalty, if any, arising on account of delay in deposit of tax or short deposit of tax amount shall not be claimed by the Generating Company.
24.	**Interest on Loan Capital/ Interest on Working Capital**	• For existing loan capital, interest and finance charges on loan capital shall be computed on the outstanding loans, duly taking into account the actual rate of interest and the schedule of repayment as per the terms and conditions of relevant agreements. The rate of interest shall be the actual rate of interest paid/payable (other than working capital loans) on loans by the Licensee. • The repayment for each year of the tariff period shall be deemed to be equal to the depreciation allowed for the corresponding year. In case of de-capitalisation of assets, the repayment shall be adjusted by taking into account cumulative depreciation made to the extent of de-capitalisation. • The Commission shall allow obligatory taxes on interest, finance charges (including guarantee fee payable to the Government) and any exchange rate difference arising from foreign currency borrowings, as finance cost. • The interest on excess equity treated as loan shall be serviced at the weighted average interest rate of actual loan taken from the lenders.
25.	**Rate of Interest on Working Capital & Security Deposit**	• The rate of interest on working capital shall be equal to the actual rate of interest paid on working capital loans by the Generating Company or the one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI as may be applicable as on 1st April of the relevant year plus 350 basis points, whichever is lower. • The interest on working capital shall be payable on normative basis notwithstanding that the Generating Company has not taken working capital loan from any outside agency or has exceeded the working capital loan amount worked out on the normative figures. • Interest on security deposits made by the consumers with a Licensee, if any, shall be considered at the rate specified by the Commission from time to time and allowed as an item of expense in the ARR of the Distribution Licensee.
26.	**Operation and Maintenance (O&M) Expenses**	• Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission. • O&M expenses of assets taken on lease/hire-purchase and those created out of the consumers' contribution shall be considered in case the Generating Company or the Licensee has the responsibility for its operation and maintenance and bears O&M expenses. • With regard to unfunded past liabilities of pension and gratuity, the Commission will follow the principle of 'pay as you go'. The Commission shall not allow any other amount towards creating fund for meeting unfunded past liability of pension and gratuity. • O&M expenses for gross fixed assets added during the year, if not accounted already, shall be considered from the date of commissioning on pro-rata basis.
27.	**Prior Period Expenses**	The Commission shall allow prior period expenses for uncontrollable cost items only as per the audited accounts, during the ARR, Annual Performance Review and True Up.
28.	**Non-Tariff Income**	The Applicant shall submit full details of its forecast of non-tariff income to the Commission as a part of ARR filing. The amount received by the Applicant on account of non-tariff Income shall be deducted from the aggregate revenue requirement for calculating the net revenue requirement of Applicant's business.
29.	**Income of Other Business**	The Applicant may engage in any other business, with prior intimation to the Commission for optimum utilization of its generation. Such instances and transaction

		shall be governed in accordance with the Punjab State Electricity Regulatory Commission (Income of Other Businesses) Regulations, 2005, as amended from time to time.
30.	**Sharing of Gains and Losses on Account of Controllable and Uncontrollable Factors**	• The approved aggregate gain or loss to the Applicant on account of uncontrollable factors shall be allowed as an adjustment in the ARR of the Applicant over such period as may be specified in the Order of the Commission. • The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner: 1. 50% of such gain shall be passed on to consumer over such period as may be specified in the Order of the Commission; 2. The balance amount of such gain shall be allowed to be retained by the Applicant; 3. Loss, if any, will be borne by the Applicant.
31.	**Billing and Payment of Charges and Late Payment Surcharge**	In case, the payment of any bill for charges payable under these Regulations is delayed by a beneficiary beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.25% per month or part thereof on the unpaid amount shall be levied by the Generating Company or Transmission Licensee, as the case may be.
32.	**Regulatory Asset**	The Commission will endeavour to liquidate the Regulatory Asset so created along with carrying cost in the maximum 3 year period immediately following the year in which it is created.
33.	**Sale of Infirm Power**	Supply of infirm power by a Generating Company shall be treated as Deviation and paid at the applicable frequency linked Charges for Deviation as per CERC (Deviation Settlement Mechanism and related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof.
34.	**Recovery of Annual Fixed (Capacity) Charges**	The fixed cost of a hydro generating station shall be computed on annual basis, based on norms specified under these Regulations, and recovered on monthly basis under capacity charge (inclusive of incentive) and energy charge, which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, that is to say, in the capacity excluding the free power to the home State.
35.	**Recovery of Energy Charges (Variable Charges)**	• Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis, for a hydro generating station, shall be determined up to three decimal places. • Shortfall in energy charges in comparison to fifty percent of the annual fixed cost shall be allowed to be recovered in six equal monthly instalments. • In case actual generation from a hydro generating station is less than the design energy for a continuous period of four years on account of hydrology factor, the generating station shall approach the Central Electricity Authority with relevant hydrology data for revision of design energy of the station. • In case the energy charge rate (ECR) for a hydro generating station, exceeds hundred and twenty paise per kWh, and the actual saleable energy in a year exceeds, the Energy charge for the energy in excess of the above shall be billed at hundred and twenty paise per kWh only. • The SLDC shall finalise the schedules for the hydro generating stations for optimal utilization of all the energy declared to be available, which shall be scheduled for all beneficiaries in proportion to their respective allocations in the generating station.
36.	**Scheduling**	As per PSERC (Grid Code) Regulations, 2013, as amended from time to time.
37.	**SLDC and Transmission Charges**	• SLDC and transmission charges as determined by the Commission shall be considered as a part of expenditure, if payable by the generating plant. • SLDC and transmission charges paid for energy sold outside the State, if any shall not be allowed as expenses.
38.	**Metering and Accounting**	For all purposes, the Standards for Metering and Accounting specified in the Punjab State Electricity Regulatory Commission (Grid Code) Regulations, 2013 and the Central Electricity Authority (Installation and Operation of Meters) Regulations 2006, as amended from time to time, shall be applicable.
39.	**Tariff Filing**	The Applicant shall file a petition for approval of ARR & Tariff, for each year of the Control Period consistent with the business plan and the capital investment plan approved by the Commission. The ARR & tariff filing shall be filed on or before 30th November of the year preceding the year of start of the Control Period.

RAJASTHAN ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Tariff) Regulations, 2019, Dated: 10.05.2019

Sl. No.	Description	Summary
1.	**Control Period**	5-Years (Starting from April 1, 2019)
2.	**Applicability**	These Regulations shall apply in respect of the following cases: • Supply of electricity by a Generating Company to a Distribution Licensee (excluding supply of electricity by captive generating plant and Renewable Energy Sources but includes Mini & Micro hydel plants) • Intra-State transmission of electricity • Intra-State Wheeling of electricity • For recovery of SLDC Expenses • Retail sale of electricity
3.	**Tariff Determination and Tariff Principles**	1. The Commission shall determine the tariff and charges for matters (Supply of electricity by a Generating Company to a Distribution Licensee and Mini & Micro hydel plants), on an application of Generating Company or the Licensee or SLDC, as the case may be, during the control period starting from 1.4.2019 in accordance with relevant provisions of these Regulations. 2. The Tariff principles shall apply to applications made for determination of tariff for a Generating Company, Transmission Licensee, SLDC, and Distribution Licensee.
4.	**Filing under MYT Control Period**	Every Generating Company or Licensee or SLDC, latest by 30th November of each year, shall file the following applications during the Control Period: • Petition for approval of ARR and determination of tariff for ensuing year • Petition for Truing up of ARR for the previous year: Provided that Truing up for years of the previous MYT Control Periods shall be carried out under respective Tariff Regulations.
5.	**Truing Up**	1. Aggregate Revenue Requirement and expected revenue from tariff and charges in respect of each of their Generating Station/unit(s) of Generating Companies, Licensees and SLDC shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations. 2. The Generating Company or Licensee or SLDC shall make an application for truing up of expenses and revenue of the previous year, within time limit specified in these Regulations.
6.	**Subsidy by the State Government**	If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall pay in advance the amount to compensate the Licensee/ person affected by the grant of subsidy in the manner specified in this Regulation.
7.	**Capital Cost**	1. The capital cost in case of existing or new hydro Generating Station shall include cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved. 2. The following shall be excluded from the capital cost of the existing and new projects: • In case of hydro Generating Station, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process; • Proportionate cost of land of the existing project, which is being used for generating power from Generating Station based on renewable energy; • Any grant received from the Central or State Government or any statutory body or authority for the execution of the project, which does not carry any liability of repayment.

		3. Where power purchase agreement or transmission agreement or wheeling agreement provides for a ceiling of capital cost, the capital cost to be considered shall not exceed such ceiling. 4. Initial spares shall be capitalised as a percentage of the Plant and Machinery cost up to cut-off date, subject to following ceiling norms: • Hydro Generating Stations including pumped storage hydro Generating Station- 4.0% • Transmission System- ➢ Transmission Line- 1.00% ➢ Transmission Sub-station 4.00% ➢ Series Compensation devices and HVDC Station 4.00% ➢ Gas Insulated Sub-station 5.00% ➢ Static Synchronous Compensator 3.50% • Distribution System- ➢ Distribution Line- 2.00% ➢ Distribution Sub-station 4.00%
8.	**Debt-equity ratio**	70:30 Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual equity shall be considered.
9.	**Return on Equity**	Return on equity shall be computed at the rate of 14% for Transmission Licensees and SLDC, 15% for Generating Companies and 16% for Distribution Licensees.
10.	**Interest and finance charges on long-term loans**	1. The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. 2. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the regulated business of the Generating Company or Licensee or SLDC as the case may be. 3. The weighted average interest rate allowed by the Commission for normative loans shall continue to be applicable to the outstanding normative loans. 4. If there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered. 5. The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. 6. The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital asset funded by Consumer Contribution, Deposit Works, Grants and Capital Subsidy.
11.	**Depreciation**	1. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. 2. For hydro Generating Stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site. 3. Further, capital cost of the assets of the hydro Generating Station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff. 4. Land other than the land held under lease and the land for reservoir in case of hydro Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
12.	**Lease charges**	Lease charges for assets taken on lease by a Generating Company or a transmission or Distribution Licensee or SLDC shall be considered as per lease agreement, provided they are considered reasonable by the Commission.
13.	**Operation & Maintenance expenses**	• O&M expenses of assets taken on lease and those created out of consumers' contributions shall be considered, if the Licensee or SLDC or the Generating Company has the responsibility for its O&M and bears O&M expenses. • Normative O&M expenses allowed at the commencement of the Control Period (i.e. FY 2019-20) under these Regulations shall be escalated at rate of 3.51% per annum for each year of the Control Period for Generating Company, Transmission Licensees and SLDC and at rate of 3.63% per annum for each year of the Control Period for Distribution Licensees.

14.	**Insurance expenses**	Actual insurance expenses incurred by the Generating Company or Licensee shall be allowed separately, subject to a ceiling of 0.2% of average Net Fixed Assets for the year.
15.	**Bad and doubtful debts**	The Commission may consider a provision for writing off of bad and doubtful debts up to 0.25% of receivables subject to writing off of bad and doubtful debts in the previous year in accordance with the procedure laid down by Distribution Licensee.
16.	**Interest charges on working capital**	➢ Rate of interest on working capital to be computed shall be on normative basis and shall be 300 basis points higher than the average Base Rate prevalent during first six months of the year previous to the relevant year. The working capital and interest thereon shall be computed on normative basis notwithstanding that the Generating Company or Licensee has not taken working capital loan from any outside agency. ➢ The variation in the interest amount on account of actual vis-a-vis normative interest rate on normative working capital shall be shared in the ratio of 50:50 between the Generating Company/Licensee/SLDC and the beneficiary.
17.	**Tax on Return on Equity**	• Tax on the income corresponding to Return on Equity approved by the Commission for the Generating Company or the Licensee or SLDC, as the case may be, shall be directly recovered from the beneficiaries. • The tax on any other income stream (including efficiency gains, incentive, etc) other than Return on Equity shall not be recovered from beneficiaries, and tax on such other income shall be payable by the Generating Company or Licensee or SLDC, as the case may be. • Any under-recovery or over-recovery of tax on income shall be adjusted every year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditor. • The penalty, if any, arising on account of delay in deposit of tax or short deposit of tax amount shall not be claimed by the Generating Company or the Licensee or SLDC as the case may be
18.	**Charges for delayed payments**	Any charges paid by a Licensee or SLDC or Generating Company for delay in payment of its dues to others arising out of reasons beyond his control shall be treated as expenses.
19.	**Late payment surcharge**	➢ In case the payment of bills of generation tariff, transmission charges, operating charges of SLDC, wheeling charges or charges for electricity purchased by a person other than a consumer is delayed beyond a period of 45 days from the date of presentation of bills, a late payment surcharge equivalent to Base Rate as on 1st April of the respective year plus 400 basis points per annum on daily basis shall be levied by the Generating Company or Licensee. ➢ For delay in payment of bill by a consumer beyond the period specified by the Commission, a late payment surcharge as laid down by the Commission from time to time shall be payable to the Licensee.
20.	**Rebate for prompt payment**	1. For payment of bills of capacity charges and energy charges of generation tariff or of transmission charges or of operating charges of SLDC or of wheeling charges effected through the letter of credit or by cash/cheque or through electronic transfer within 5 working days of presentation of bills, a rebate of 1.5 % shall be allowed. 2. If payments are made beyond 5 working days through Letter of Credit or by cash/cheque or through electronic transfer but within a period of 30 days of presentation of bills, a rebate of 1% shall be allowed.
21.	**Sharing of Clean Development Mechanism (CDM) credit**	Sharing of Clean Development Mechanism (i.e. CDM) credit during the current Control Period, shall be in the ratio 25:75 between Distribution Licensee and Generating Company respectively.
22.	**Norms of operation for Hydro Power Generating Stations**	Normative capacity index for recovery of full capacity charges:- (a) During first year of commercial operation of the Generating Station • Run-of-river power stations without pondage: 85%. • Storage type and Run-of-river power stations with pondage: 80% (b) After first year of commercial operation of the Generating Station • Run-of –river power stations without pondage: 90% • Storage type and Run-of-river power stations with pondage: 85%

		(c) The Commission may relax the normative capacity index in case of non-availability of adequate quantity of water on case to case basis. (d) There shall be pro-rata recovery of capacity charges in case the Generating Station achieves capacity index below the prescribed normative levels. At Zero capacity index, no capacity charges shall be payable to the Generating Station.
23.	**Auxiliary energy consumption**	1. Surface hydro Generating Stations • with rotating exciters mounted on the generator shaft : 0.2% • with static excitation system : 0.5% 2. Underground hydro Generating Stations • with rotating exciters mounted on the generator shaft : 0.4% • with static excitation system : 0.7% 3. Auxiliary energy consumption for existing hydro power stations • Mahi PH 2 - 3.0 lakh units per annum + 0.75% of energy generated • Mahi PH 1 – 4.0 lakh units per annum + 0.65% of energy generated • For new Mini/ Micro (MMH) Power Station – On actuals subject to maximum of 10% of energy generated.
24.	**Operation and Maintenance expenses**	1. Operation & Maintenance expenses for Mahi I & Mahi II hydro power stations shall be Rs. 12.45 lakh per MW for FY 2019-20. 2. In case of the hydro electric Generating Stations, which have not been in operation for a period of five years, the operation and maintenance expenses shall be fixed at 1.0% of the capital cost as admitted by the Commission. 3. For the Generating Stations having combination of various Unit sizes, the weighted average value for operation and maintenance expenses shall be adopted.
25.	**SLDC Fee and Charges and transmission charges**	SLDC charges as determined by the Commission shall be considered as expenses. SLDC and transmission charges paid for energy sold outside the State shall not be considered as expenses for determining generation tariff.
26.	**Computation of fixed charges and capacity charges**	The two-part tariff for sale of electricity from a hydro power Generating Station shall comprise of recovery of annual capacity charge and primary energy charges. The capacity charge shall be computed in accordance with the following formula: **Capacity charge = (annual fixed charge - primary energy charge)** Note: Recovery through Primary energy charge shall not be more than Annual Fixed Charge.
27.	**Incentive**	(a) Incentive shall be payable in case of all the hydro power Generating Stations, including in case of new Generating Stations in the first year of operation, when the capacity Index (CI) exceeds 90% for run-of-river power Generating Stations without pondage and 85% for run-of-river power station with pondage or storage type power Generating Stations and incentive shall accrue up to a maximum capacity index of 100%. (b) Incentive shall be payable to the Generating Company in accordance with the following formula: **Incentive = 0.65 x Annual Fixed Charge x (CIA – CIN)/100 (If incentive is negative, it shall be set to zero)** Where, CIA is the Capacity Index achieved and CIN is the normative capacity index whose values are 90% for run of the river hydro stations without pondage and 85% for pondage/storage type hydro Generating Stations. (c) The total incentive payment calculated on annual basis shall be borne by the beneficiaries based on the allocated/ contracted capacity.
28.	**Scheduling**	1. Scheduling shall be as specified in the Rajasthan Electricity Grid Code notified by the Commission. Hydro power plants of capacity below 25 MW shall not be subject to scheduling. 2. Declaration of available capacity shall also include limitation on generation during specific time periods, if any, on account of restriction(s) on water use due to irrigation, drinking water, industrial, environmental considerations, etc. 3. For run-of-river power stations without pondage, since variation of generation in such stations may lead to spillage, these shall be treated as must run stations. The maximum available capacity, duly taking into account the over load capability, must be equal to or

		greater than that required to make full use of the available water. 4. For run-of-river power station with pondage and storage type power stations, since, these hydro stations are designed to operate during peak hours to meet system peak demand, maximum available capacity of the station declared for the day shall be equal to the installed capacity including overload capability, minus auxiliary consumption and transformation losses, corrected for the reservoir level.
29.	**Demonstration of declared capability**	• The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression. • The operating logbooks of the Generating Station shall be available for review by the State Load Despatch Centre. These books shall keep record of machine operation and maintenance.
30.	**Billing and payment of fixed charges or capacity charges**	The capacity charges for hydro Generating Stations shall be paid by the Distribution Licensee and person having power purchase agreements for more than one year to the Generating Company every month.
31.	**Tariff for existing Mini/ Micro (MMH) Power Station**	Tariff for existing Mini/ Micro (MMH) Power Station for the Control Period shall be Rs 4.16 per kWh.

SIKKIM STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2013, Dated: 21.11.2013 with amendments, Dated: 16.02.2015, 20.06.2017

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• These regulations shall be applicable for determination of tariff in all cases covered under these regulations from April 1, 2015 and onwards. • These regulations shall be applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees and their successors, if any.
3.	**Multi-Year Tariff Framework**	The Commission shall adopt Multi-Year Tariff framework for determination of ARR/tariff of the first Control Period of three years commencing from 1st April 2018 to 31st March 2021. However, there shall be annual determination of ARR/Tariff for the utilities for FY 2017-18 i.e. till the commencement of the first control period as per Sikkim State Electricity Regulatory Commission (Terms & Conditions of Determination of Tariff), 2012.
4.	**Accounting statement and filing under MYT**	• The filing under MYT by the Generating Company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of ARR as specified in these regulations, in such form as may be prescribed by the Commission from time to time. • The Generating Company shall file separate audited accounting statements with the application for determination of tariff and truing up. • In case of a vertically integrated business, the Utility shall be required to file separate applications for determination of ARR and tariff for Generation Business, Transmission Business and Distribution Business.
5.	**Capital Investment Plan and Business Plan Filings**	1. The Generating Company shall file by 1st September of the year preceding the first year of the control period or any other date as directed by the Commission an application for the approval of the Commission. 2. The capital investment plan, in case of a generation company, will be commensurate with the generation capacity growth, renovation & modernization requirements etc. 3. The generating company and the licensee shall submit the scheme-wise actual capital expenditure incurred along with the mid-year performance review and true-up filing. 4. In case the capital expenditure incurred for approved schemes exceeds the amount as approved in the capital expenditure plan, the generating company or the transmission or the distribution licensee, as the case may be, shall file an application with the Commission at the end of control period for truing up the expenditure incurred over and above the approved amount. After prudence check, the Commission shall pass an appropriate order on case-to-case basis. 5. The Commission shall approve the capital investment plan within a period of 45 days from the date of its filing or submission of complete information, whichever is later. 6. The Generating Company, Transmission Licensee and Distribution Licensee, in respect of their respective businesses, shall file for approval of the Commission a business plan for a period covering the entire control period from April 2018 to March 2021. 7. The Generation Company and the Licensee shall submit all

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<tr><td></td><td></td><td>information / data as required by the Commission for necessary approval of the business plan. The Commission shall scrutinize the business plan taking into consideration the additional information provided by the applicant, if any.</td></tr>
<tr><td>6.</td><td>Multi Year Tariff Application</td><td>• The applicant shall submit the forecast of Aggregate Revenue Requirement for the entire Control Period and tariff proposal for the first year of the Control Period, in such manner, and within such time limit as provided in these regulations and accompanied by such fee payable, as may be specified by the Commission.
• The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.</td></tr>
<tr><td>7.</td><td>Truing Up</td><td>• Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Generating Company is covered under a Multi-Year Tariff framework, then such Generating Company shall be subject to truing up of expenses and revenue during the Control Period in accordance with these regulations.
• In respect of the expenses incurred by the Generating Company during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up.</td></tr>
<tr><td>8.</td><td>Mechanism for pass through of gains or losses on account of uncontrollable factors</td><td>The approved aggregate gain or loss to the Generating Company on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company specified in the Order of the Commission passed under these regulations.</td></tr>
<tr><td>9.</td><td>Mechanism for sharing of gains or losses on account of controllable factors</td><td>1. The approved aggregate gain to the Generating Company on account of controllable factors shall be dealt with in the following manner:
• One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be.
• The balance amount, which will amount to two-thirds of such gain, may be utilized at the discretion of the Generating Company.
2. The approved aggregate loss to the Generating Company on account of controllable factors shall be dealt with in the following manner:
• One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be.
• The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company.</td></tr>
<tr><td>10.</td><td>Determination of Generation Tariff</td><td>1. Existing generating station:
• Where the Commission has, at any time prior to the date of effectiveness of these regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating Unit/Station, the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission.
• Where, as on the date of effectiveness of these regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to such Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission.</td></tr>
</table>

		2. New generating stations: The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with tariff as per power purchase agreement approved by the Commission. **3. Own generating stations:** • Where the Distribution Licensee also undertakes the business of generation of electricity; the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission. • The Distribution Licensee shall maintain separate records for the Generation Business and shall maintain an Allocation Statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and return on equity accruing to such business.
11.	**Review of Tariff Order**	All applications for the review of tariff shall be in the form of petition accompanied by the prescribed fee. A petition for review of tariff can be admitted by the Commission under the following conditions: • The review petition is filed within sixty days from the date of the Tariff Order, and / or • There is an error apparent on the face of the record.
12.	**Adherence to Tariff**	The tariff determined and notified may not be ordinarily amended, more frequently than once in any financial year, except that tariff rates shall be adjusted in accordance with any adjustment formulae, including variable cost adjustment formula, incorporated in the Tariff Order or in any order of the Commission.
13.	**Annual determination of tariff**	The Commission shall determine the tariff of a Generating Company covered under a Multi-Year Tariff framework for each financial year during the Control Period, at the commencement of such financial year, having regard to the following: • The approved forecast of Aggregate Revenue Requirement including the incentive available for the Generating Company and expected revenue from tariff and charges for such financial year, including modifications approved at the time of mid- term review, if any; and • Approved gains and losses to be passed through in tariffs, following the Truing Up of previous year.
14.	**Subsidy Mechanism**	If the State Government provides the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, notwithstanding any direction which may be given under Section 108 of the Act, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government, in the manner specified in these Regulations.
15.	**Capital Cost**	• Capital cost to be allowed by the Commission for the purpose of determination of tariff for Generating Company for their respective businesses will be based on the capital investment plan prepared by the Generating Company. • The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The actual capital expenditure on date of completion, for the original scope of work based on audited accounts of the Company, limited to original cost, may be considered subject to the prudence check by the Commission. • The capital cost may include capitalized initial spares- Upto 1.5% of original capital cost in hydro-generating stations.
16.	**Additional Capitalization**	• The capital expenditure, actually incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to the prudence check. • A list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the generating Unit/Station or

		transmission system or distribution system. • Impact of additional capitalization on tariff, as the case may be, shall be considered during Truing Up of each financial year of the Control Period.
17.	**Debt - Equity Ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in case of a new generating station, transmission or distribution line or substation commissioned or capacity expanded after 01.04.2018, shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual equity shall be considered. • In case of the Generating Company if any fixed asset is capitalized on account of capital expenditure on the project prior to April 1, 2018, debt-equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2018 shall be considered.
18.	**Return on Equity**	• Return on equity shall be computed on the paid up equity capital determined in accordance with Regulations relatable to the Generating Company and shall be allowed at the rate of 14% for Generating Companies, including hydro generation stations above 25 MW. • For Generating Company Return on Equity shall be allowed on the amount of allowed equity capital for the assets put to use at the commencement of each financial year and on 50% of equity capital portion of the allowable capital cost for the investments put to use during the financial year. • The premium raised by the Generating Company while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure.
19.	**Interest and finance charges on loan capital**	• The normative loan outstanding as on April 1, 2018, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2018, from the gross normative loan. • The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. • The Generating Company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Company in the ratio of 2:1.
20.	**Depreciation**	1. The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. 2. In hydro generating station, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government. 3. The land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. 4. In case of the existing projects, the balance depreciable value as on April 1, 2018, shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto March 31, 2018, from the gross value of the assets.
21.	**Interest on Working Capital**	In hydropower generating stations - Interest on working capital shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1^{st} April of the financial year in which the Petition is filed.
22.	**Tax on Income**	• Income Tax shall be treated as an expense and shall be recoverable from beneficiaries through tariff. • Under-recovery or over-recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income-tax assessment under the Income- Tax Act, 1961, as

		certified by the statutory auditors. The Generating Company may include this variation in its truing up Petition.
23.	**Rebate**	• For payment of bills of generation tariff or transmission charges through Letter of Credit or otherwise, within 7 days of presentation of bills, by the Generating Company or the Transmission Licensee, as the case may be, a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Where payments are made subsequently through opening of Letter of Credit or otherwise, but within a period of one month of presentation of bills by the Generating Company or the Transmission Licensee, as the case may be, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed.
24.	**Delayed Payment Surcharge**	In case the payment of bills of generation tariff or transmission charges by the beneficiary or beneficiaries is delayed beyond a period of 30 days from the date of billing, late payment surcharge at the rate of 1.25% per month on billed amount shall be levied for the period of delay by the Generating Company or the Transmission Licensee, as the case may be.
25.	**Renovation & Modernization**	The Generating Company has to files an application for approval of its proposal for Renovation and Modernization, the approval shall be granted after due consideration of reasonableness of the cost estimates, schedule of completion, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission.
26.	**Sale of Infirm Power**	• The tariff for sale of infirm power from a thermal generating station to the Distribution Licensee shall be equivalent to the actual fuel cost, including the secondary fuel cost, as the case may be, incurred during that period subject to prudence check. • Any revenue other than the recovery of fuel cost earned by the Generating Company from sale of infirm power shall be used for reduction in capital cost and shall not be treated as revenue.
27.	**Norms of operation for Hydro Generating Stations**	Normative Annual Plant Availability Factor for new Hydro Generating Stations: 1. Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt – 90%. 2. Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt - Plant-specific allowance to be provided in NAPAF for reduction in MW output capability as reservoir level falls over the months. 3. Pondage type plants where plant availability is significantly affected by silt – 85% 4. Run-of-river type plants - To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant.
28.	**Auxiliary Energy Consumption**	1. Surface hydroelectric power generating stations: • With rotating exciters mounted on the generator shaft 0.70%; • With static excitation system: 1.00%; 2. Underground hydro generating station: • With rotating exciters mounted on the generator shaft 0.90%; • With static excitation system: 1.20%.
29.	**Operation and Maintenance Expenses for Hydro Generating Stations**	**1. For Existing Stations:** a. The Operation and Maintenance expenses including insurance shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2017, subject to prudence check by the Commission.

		b. The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2017 and shall be escalated at the escalation factor of 6% to arrive at operation and maintenance expenses for FY 2017-18. c. The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above for FY 2017-18, at the escalation factor of 6% to arrive at permissible O&M expenses for each year of the Control Period. **2. For New Stations:** a. O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works). b. The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 6%.
30.	**Demonstration of declared capacity**	• The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression. • The operating logbooks of the generating station shall be available for review by the Sikkim State Load Despatch Centre. These books shall keep record of machine operation and maintenance.
31.	**Billing and Payment of Charges**	The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations shall be done on a monthly basis.
32.	**Reactive Energy Charges**	• A generating station shall inject/absorb the reactive energy into the grid as per the directions of State Load Despatch Centre. Such injection/absorption may be undertaken on the basis of machine capability and in accordance with the directions issued by SLDC. • Reactive energy exchange, only if made as per the directions of State Load Despatch Centre, for the applicable duration (injection or absorption) shall be compensated to the generating station at the rate of 10.00 paise/kVArh for FY 2015-16 escalated at 0.5 paise/kVArh annually in subsequent years of the Control Period, unless otherwise revised by Commission.
33.	**Sharing of CDM Benefits**	1. 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; 2. 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.

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Tariff) Regulations – 2005, dated: 24.06.20105, with amendments dated: 09.05.2006, 09.08.2007, 08.09.2007, 18.12.2007, 06.02.2008, 26.05.2008, 20.01.2010, 31.05.2010, 28.02.2011, 28.11.2012, 13.03.2014

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• They shall be applicable for determination of tariff by the Commission in accordance with Electricity Act. • They shall not be applicable to co-generation, captive power plants and generation of electricity from renewable sources of energy including mini hydro projects (covered under Non-Conventional Energy Sources), which will be covered by a separate regulation to be specified by the Commission for promotion of such generation.
3.	**Power to determine Tariff**	The Commission shall determine tariff and terms and conditions therefor in the following cases: 1. Supply of electricity by a Generating Company to a Distribution licensee: 2. The Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for purchase or sale of electricity in pursuance of an agreement entered into between the Generating Company and a licensee or between licensees for a period not exceeding one year to ensure reasonable price of electricity. 3. Intra-State transmission of electricity. 4. Rates, charges and terms and conditions for use of Intervening transmission facilities, if these cannot be mutually agreed upon by the licensee 5. Wheeling of electricity. 6. Retail sale of electricity. 7. Surcharge payable by the consumer who is allowed open access in addition to the charges for wheeling in accordance with the TNERC Open Access Regulations. 8. Additional surcharge on the charges of wheeling payable by a consumer who is allowed open access by the in accordance with the TNERC Open Access Regulations.
4.	**Tariff setting principles**	• The control period under the MYT framework shall be for a duration of 3 years. The year preceding the first year of the control period shall be the base year. • that the tariff progressively reflects the cost of supply of electricity and also, reduces the cross-subsidy in the manner to be specified by the Commission; • In the process of determining tariff to progressively reflect the cost to serve each category, the Commission may endeavour to see that tariff to any category of consumers does not exceed 150% of the cost of supply and also is not less than 50% of the cost of supply. • The Generating Companies shall be allowed to sell to other buyers without losing their claim on committed capacity charges in case of under recovery of these charges from alternate sales. • For new Generating Stations, a significant part of the capacity shall be made available (as free capacity) to be sold through trading markets and the remaining capacity only shall be contracted through Power Purchase Agreement.
5.	**Procedure for making application for Determination of Tariff**	1. The licensee may file the application for determination of tariff to the TNERC Conduct of Business Regulations. The tariff changes should normally be applied for to take effect from the 1st day of ensuing financial year and hence the application shall be filed before 30th November of Current Year along with Aggregate Revenue Requirement (ARR).

		2. A licensee having a Generating Station shall maintain and submit separate accounts for the licensed business and Generating Station. 3. In case of Generating Station declared under commercial operation on or after the date of notification of these Regulations, an application for fixation of tariff shall be made in two stages as below: a. A generation company may make an application to these regulations, for determination of provisional tariff in advance of the anticipated date of completion of the project, based on the capital expenditure actually incurred upto the date of making of the application or a date prior to making of the application, duly audited and certified by the statutory auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective units of the generation station. b. Provisional tariff or provisional billing of charge, wherever allowed by the Commission based on the application made by the generating company or by the Commission on its own or otherwise, shall be adjusted against the final tariff approved by the Commission. c. The provisional tariff charged exceeds the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall pay simple interest @ 6% per annum computed on monthly basis, on the excess amount so charged from the date of payment of such excess amount and upto the date of adjustment. 4. In case the licensee does not initiate tariff filings in time, the Commission shall initiate tariff determination and regulatory scrutiny on suo-motu basis.
6.	**Communication of the Tariff**	The Commission, shall, within seven days of making the order, send a copy of the order to the licensees, Government of Tamil Nadu, the Central Electricity Authority and to the persons concerned.
7.	**Refund of excess amount**	The licensee shall recover the charges as per the tariff determined by the Commission. If any licensee recovers the charges exceeding the tariff determined by the Commission, the excess amount shall be refunded to the person who has paid such excess charges along with interest equivalent to the bank rate notified by the Reserve Bank of India.
8.	**Time of-the Day Tariff**	1. To promote demand side management peak and off-peak tariff may be implemented. 2. The time between 0600 hrs and 0900 hrs and between 1800 hrs and 2100 hours shall be treated as peak hour. 3. The duration between 2200 hours and 0500 hours shall be off-peak hours. 4. The distribution licensee shall achieve various indices related to supply availability as given by the Commission from time to time. For every under achievement of 1% in composite availability for Urban and Rural areas, ROE shall be reduced by 0.1%.
9.	**Power Factor**	The Commission may direct certain categories of consumers to maintain power factor at a prescribed level and levy disincentive for maintaining below the prescribed level.
10.	**Regulatory Asset**	• The regulatory asset shall first be adjusted against the contingency reserve. The balance regulatory asset, if any, will be allowed to be recovered within a period of three years as decided by the Commission. • Any unrecovered gap at the beginning must be covered through transition financing arrangement or capital restructuring.
11.	**Multiyear Tariff**	• The Commission may determine Tariff and revenue for the base year, after proper evaluation and verification of the submission made by the licensee. • The control period shall be the subsequent years following the previous year. • All the uncontrollable costs shall be allowed as pass through in tariff and the uncontrollable costs will include the - Cost of fuel; Costs on account of inflation; Taxes and duties; and Variation in power

		purchase unit cost from base line level including on account of hydro-thermal mix in case of force majeure and adverse natural events like drought. • The financial loss if any due to failure to achieve the target shall be borne by the licensee and gain if any shall be shared with the beneficiaries at the rate of 50 : 50.
12.	**Annual Accounts and Reports, etc.**	Every licensee shall prepare Annual Statement of Accounts and Annual Report in the form specified in the TNERC (Licensing) Regulations giving an account of their activities during the Current Year and Previous Year and likely to be undertaken in the ensuing year.
13.	**Business Plan**	The licensee shall furnish a detailed Business Plan for five years for approval by the Commission at least six months prior to submission of the MYT petition. The Business Plan shall contain projections for all activities including loss reduction, effective and tamper proof metering and the criteria for projection and percentage of evacuation improvement to be achieved over the existing evacuation capacity .
14.	**Capital Investment Plan**	• The licensee shall file a detailed Capital Investment Plan every year showing separately, on going projects that will spill into the year under review and new project (along with justification) that will commence but may be completed within or beyond the tariff period. • The licensee may, at any time, during the tariff year, seek provision for additional capital expenditure to meet natural calamities involving substantial investment and the Commission shall examine and review these provisions in the manner as given in this regulation and approve their inclusion in the revenue requirement in the next period. • The licensee shall get the Capital Investment Plan approved by the Commission before filing ARR and Application for determination of tariff.
15.	**Capital Cost**	1. Accurate computation of cost of service including return on investment is essential for determination of cost plus tariff. 2. The actual capital expenditure on the date of commercial operation for the original scope of work based on audited accounts of the Company/licensee limited to original cost may be considered subject to prudence check by the Commission. 3. Scrutiny of the project cost estimates by the Commission shall be limited to the reasonableness of the capital cost, financing plan, interest during construction stage, use of efficient technology and such other matters, for determination of tariff. In respect of capital cost based projects, a 50% of potential savings, if any, in interest during construction, due to completion of project ahead of schedule, may be allowed to be retained by the Generating Company/licensee and the balance 50% passed on as a lower tariff. 4. Any person intending to establish, operate and maintain a generating station may make an application before the Commission for ' in principle' acceptance of the project capital cost and financing plan before taking up the project through a petition in accordance with the Tamil Nadu Electricity Regulatory Commission (Conduct of Business) Regulations 2004.
16.	**Additional Capitalization**	• The capital expenditure within the original scope of work actually incurred after the date of commencement of operation and upto the cut off date may be admitted by the Commission, subject to prudence check. • Any expenditure on minor items/assets like normal tools and tackles, personal computers, furniture, air conditioners, etc. bought after the cut off date shall not be considered for additional capitalisation for determination of tariff. • (3) The impact of additional capitalisation in tariff revision may be considered by the Commission twice in a tariff period, including revision of tariff after the cut off date.
17.	**Revenue / charges during trial stage (prior to COD)**	1. The cost incurred during trial upto COD shall be treated as capital cost. 2. The revenue earned from sale of power (infirm power) shall be

		treated as reduction in capital cost. 3. Cost of infirm power shall be the lowest fuel cost applicable to the existing similar type of station.
18.	**Debt-Equity Ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans, advanced at the weighted average rate of interest and for weighted average tenor of the long term debt component of the investment. • In case of a Generating Company or other licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation.
19.	**Return on Equity**	• Return on equity shall be computed on the equity base determined in accordance with regulation 21 @ 14% per annum. The return shall be allowed post tax: • Equity invested in foreign currency shall be allowed a return upto the prescribed limit in the same currency and payment on this account shall be made in Indian Rupees based on the exchange rate prevailing on the due date of billing.
20.	**Interest and Finance Charges on (debt) Loan Capital**	• The Generating Company/licensee shall make every effort to re-finance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such re-financing shall be borne by the beneficiaries. • In case any moratorium is availed of by the Generating Company/ licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly. • The Generating Company/licensee shall not make any profit on account of re-financing of loan and interest on loan. • The beneficiaries shall be liable to pay interest for the loan initially contracted, whether on floating a fixed rate of interest”
21.	**Depreciation**	1. For the purpose of tariff, depreciation shall be computed in the following manners: 2. The value base for the purpose of depreciation shall be historical cost of the asset. 3. The depreciation shall be calculated at the rates as per the these Regulations. 4. The residual value of assets shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the estimated cost of the Asset. 5. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset. 6. After the assets are fully depreciated the benefit of reduced tariff shall be made available to the consumer.
22.	**Advance Against Depreciation**	Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year.
23.	**Operation and Maintenance Expenses**	1. The operation and maintenance expenses shall be derived on the basis of actual operation and maintenance expenses for the past five years previous to current year based on the audited Annual Accounts excluding abnormal operation and maintenance expenses, if any, after prudence check by the Commission. The Commission may, if considered necessary engage Consultant/Auditors in the process of prudence check for correctness. 2. The average of such normative operation and maintenance expenses after prudence check shall be escalated at the rate of 5.72% per annum to arrive at operation and maintenance expenses for current year i.e. base year and ensuing year. 3. In case of the hydro electro Generating Stations, which have not

		been in existence for a period of five years, the operation and maintenance expenses shall be fixed at 1.0% of the capital cost as admitted by the Commission and shall be escalated at the rate of 4% per annum from the subsequent year to arrive at base operation and maintenance expenses. The base operation and maintenance expenses shall be further escalated at the rate of 5.72% per annum to arrive at permissible operation and maintenance expenses for the relevant year. 4. In case of the hydro electric generating stations declared under commercial operation on or after the notification of these Regulations, the base operation and maintenance expenses shall be fixed at 1.0% of the actual capital cost as admitted by the Commission, in the year of commissioning and shall be subject to an annual escalation of 5.72% per annum for the subsequent years. 5. Any savings achieved by Generating Company or the licensee shall be allowed to be retained by them. When they exceed the normative expenses they shall bear the loss.
24.	**Interest on Working Capital**	• The rate of interest on working capital shall be on normative basis and shall be equivalent to the short term primary lending rate of State Bank of India as on 1st April of the relevant year. • Supply availability should be measured on the basis of power contracted by the distribution licensee on a long-term basis for the power procurement plan submitted by the utility.
25.	**Foreign Exchange Rate Variation**	1. Extra rupee liability towards interest payment and loan repayment corresponding to the actual foreign debt in the relevant year shall be permissible provided the entire rupee liability directly arises out of Foreign Exchange Rate variation and is not attributable to the Generation Company/licensee or their suppliers or contractors. 2. Generating Companies shall be allowed reasonable cost of hedging subject to a ceiling of 1 % of the foreign exchange component to take care of foreign exchange variation.
26.	**Income Tax**	• Tax on Income stream of the Generating Company Core/Licensed business shall be computed as expenses and shall be recovered as pass through from the beneficiaries. • Under recovery or over recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income tax assessment under the Income Tax Act 1961 (Act 43 of 1961) as certified by the Statutory Auditors.
27.	**Norms of operation**	Normative capacity index for recovery of full capacity charges:- 1. During first year of commercial operation of the Generating Station • Purely Run-of-river Power Stations - 85% • Storage type and Run of river Power Stations with pondage - 80% 2. After first year of commercial operation of the Generating Station • Purely Run-of-river Power Stations - 90% • Storage type and Run-of River Power Stations with pondage - 85%.
28.	**Auxiliary Energy Consumption**	a. Surface hydro electric Power Generating Stations with rotating exciters mounted on the generator shaft - 0.2% of energy generated b. Surface hydro electric Power Generating Stations with static excitation system - 0.5% of energy generated c. Under ground hydro electric power generating stations with rotating exciters mounted on the generating shafts - 0.4% of energy generated d. Under ground hydro electric power generating stations with static exciters systems - 0.7% of energy generated.
29.	**Sale of infirm power**	Any revenue earned by the Generating Company from sale of infirm power, shall be taken as reduction in capital cost of the Generating Station and shall not be treated as revenue. The rate for infirm power shall be same as the energy rate of the Generating Stations.
30.	**Incentive**	Incentive shall be payable in case of all the Generating Stations, including new Generating Stations in the first year of operation, when the capacity index (CI) exceeds 90% for purely run-of-river power

		generating stations and 85% or run-of-river power station with pondage or storage type power generating stations and incentive shall accrue upto a maximum capacity index of 100%.
31.	**Hydro Balancing Fund**	• There shall be created a fund called " Hydro Balancing Fund" to take care of any financial loss to the Distribution Licensee (owning Generating Stations including hydro station), on account of increase in quantum of power purchase due to adverse monsoon resulting in reduction in hydro generation. • The average contribution of power by the hydro generations in a normal monsoon year shall be at the overall average Plant Load Factor of 25% and the licensee shall estimate quantum of generation from his hydro stations at 25% PLF of the total installed capacity of all the stations as at 31st March of preceding year.

TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions of Generation Tariff) Regulations, dated: 04.01.2019

Sl. No.	Description	Summary
1.	**Control Period**	These Regulations shall be applicable to all existing and future Generating Entities and their successors, if any for determination of Aggregate Revenue Requirement within the state of Telangana in all matters covered under these Regulations from 1 April, 2019 to 31 March, 2024.
2.	**Applicability**	• This Regulation shall apply in all cases where tariff for a Generating Station or a Unit thereof is required to be determined by the Commission. • This Regulation shall not apply for determination of tariff in case of the - Generating Stations whose tariff has been discovered through tariff based Competitive Bidding in accordance with the guidelines issued by the Central Government and adopted by the Commission.
3.	**Multi-Year Tariff Framework**	1. The Commission shall determine the tariff for supply of electricity by a Generating Entity, except from renewable sources of energy to a Distribution Licensee under a multi-year tariff framework with effect from April 1, 2019. 2. Determination of Aggregate Revenue Requirement and tariff for the Generating Entity for each Financial Year within the Control Period by the Commission at the start of the Control Period. 3. Petition for Mid-term Review of operational and financial performance vis-a-vis the approved forecast for the first two years of the Control Period; and revised forecast of Aggregate Revenue Requirement, expected revenue from existing tariff, expected revenue gap, for the third, fourth and fifth year of the Control Period, shall be submitted by the Generating Entity. 4. True-up for the first year and second year of the Control Period, provisional true-up for the third year of the Control Period of operational and financial performance vis-a-vis the approved forecast for the respective years, and categorisation of variation in performance as those caused by factors within the control of the Petitioner (controllable factors) and by factors beyond its control (uncontrollable factors) by the Commission, along with the Mid -term Review.
4.	**Multi-Year Tariff Petition**	• The Multi-Year Tariff Petition shall include a forecast of Aggregate Revenue Requirement and expected revenue from tariff for each Year of the Control Period in the manner specified in these Regulations, and shall be accompanied by applicable fees. • The capital investment plan shall show, separately, on-going Projects that will spill over into the Control Period, and new Projects that will commence in the Control Period but may be completed within or beyond it for which relevant technical and commercial details shall be provided. • Specific trajectory for certain variables the Commission, while approving the Multi-Year Tariff Petition, may stipulate a trajectory variables.
5.	**Mid-term Review**	• The Generating Entity shall file a petition for Mid-term Review and truing-up of the Aggregate Revenue Requirement and Revenue for FY 2019-20 and FY 2020-21, and provisional truing-up for the FY 2021-22, by November 30, 2021. • Any variations or expected variations in performance, for variables other than those specified under these Regulations, shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors.
6.	**End of the Control Period Review**	• The Generating Entity shall file a petition for End of the Control Period Review and truing-up of the Aggregate Revenue Requirement and revenue for FY 2021-22 and FY 2022-23, and provisional truing-up for-the FY 2023-24, by November 30, 2023. • The Commission shall analyse the performance with respect to the norms set out at the beginning of the Control Period in the MYT order and shall determine the base values for the next Control Period, based on actual performance achieved, expected improvement and other relevant factors.

7.	**Petition for determination of tariff**	• Where the tariff is being determined for Stage or Generating Unit of a Generating Station, the Generating Entity shall adopt a reasonable basis for allocation of Capital Cost relating to common facilities and allocation of joint and common costs across all Stages or Generating Units, as the case may be. • The Generating Entity shall file the application for determination of provisional tariff for new Generating Station, one hundred and eighty (180) Days prior to the anticipated COD of Generating Unit or Stage or Generating Station as a whole, as the case may be. • In the case of new Projects, the Generating Entity may be allowed provisional tariff by the Commission from the anticipated COD, based on the projected capital expenditure.
8.	**Determination of Tariff for Existing Generating**	1. Where the Commission has, at any time prior to April 1, 2019, approved a power purchase agreement or arrangement between a Generating Entity and a Distribution Licensee or has adopted the Tariff contained therein for supply of electricity from an existing generating Unit/Station, then the Tariff for supply of electricity by such Generating Entity to the Distribution Licensee shall be in accordance with the Tariff mentioned in such power purchase agreement or arrangement for such period as so approved or adopted by the Commission. 2. Where, as on April 1, 2019, the power purchase agreement or arrangement between a Generating Entity and a Distribution Licensee fort supply of electricity from an existing Generating Unit/Station or the tariff therein has not been approved by the Commission, or where there is no power purchase agreement or arrangement, the supply, of electricity by such Generating Entity to the Distribution Licensee after April 1, 2019 shall be in accordance with a power purchase agreement approved by the Commission.
9.	**Determination of Tariff for New Generating Stations**	The Tariff for the supply of electricity by a Generating Entity to a Distribution Licensee from a New Generating Unit/Station shall be in accordance with the Tariff determined in accordance with these Regulations.
10.	**Date of Commercial Operation (COD)**	COD in case of a Generating Unit of a, hydro Generating Station, including Pumped Storage Hydro Generating Station, the date declared by the Generating Station from 00:00 hour(s) after the scheduling process in accordance with the Indian Electricity Grid ode 2010 and TSERC State Grid Code is fully implemented, and in relation to the "Generating Station as a whole, the date declared by the Generating Entity after demonstrating peaking capability corresponding to the Installed Capacity of the Generating Station through a successful Trial Run and after obtaining clearance from the SLDC, and in relation to the generating station as a whole, the COD of the last generating Unit of the Generating Station.
11.	**Mechanism for pass through of gains or losses on account of uncontrollable factors**	The uncontrollable cost shall be determined based on a petition filed by the concerned Generating Entity.
12.	**Mechanism for sharing of gains or losses on account of controllable factors**	1. The approved aggregate gain to the Generating Entity on account of controllable factors shall be dealt with in the following manner: • Two-third (2/3rd) of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission. • The balance amount of such gain shall be retained by the Generating Entity. 2. The approved aggregate loss to the Generating Entity on account of controllable factors shall be dealt with in the following manner: • One-third (1/3rd) of the amount of such loss may be passed on as an additional charge in tariff over sucn period as may be stipulated in the Order of the Commission. • The balance amount of such loss shall be absorbed by the Generating Entity.
13.	**Business Plan**	The Applicant shall file a business plan along with capital investment plan for its Generation Business on or before 1st April of the Year preceding the first Year of the Control Period for a duration covering at least the entire Control

		Period.
14.	**Capital Investment Plan**	• The capital investment plan during the Control Period shall be commensurate with the requirement of existing capacity. • The capital investment plan for Renovation and Modernization shall be submitted with all information/data for approval, of the Commission with a Detailed Project Report (DPR) elaborating with all the elements. • In case the capital expenditure is required for emergency work which has not been approved in the capital investment plan, the respective Applicant shall submit an application (containing all relevant information along with reasons justifying emergency nature of the proposed work) seeking approval by the Commission. • In relation to multi-purpose hydroelectric Projects, with irrigation, flood control and power components, the capital cost chargeable to the power component of the Project only shall be considered for determination of tariff. • The capital cost may include Initial spares capitalised as a percentage of the plant and machinery cost up to the Cut-Off Date, subject to the following ceiling norms - Hydro Generating Stations, including Pumped Storage Hydro Generating Stations: 4%.
15.	**Additional Capitalisation**	In hydro Generating Stations, any expenditure, which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the Generating Entity) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation.
16.	**Renovation and Modernisation for Life Extension**	• The Commission may grant approval for additional capital cost on account of R&M after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. Provided that any expenditure included in the R&M on consumables and cost of components and spares which is generally covered in the O&M expenses shall be suitably deducted after due Prudence Check from the R&M expenditure to be allowed. • Any expenditure incurred or projected to be incurred and admitted by the Commission after Prudence Check based on the estimates of R&M expenditure and life extension, and after deducting the accumulated depreciation already recovered from the Original Project Cost, Shall form the basis for determination of tariff.
17.	**Interest During Construction (IDC)**	• Interest during construction shall be computed corresponding to the loan as specified in from the date of infusion of debt fund, and after taking into account the utilisation of funds up to SCOD. • IDC shall be allowed during the delay period only on payment basis and not accrual basis. • The entire cost due to time over run has to be borne by the Generating Entity in case the causes for over-run are entirely attributable Generating Entity. • The Commission shall examine on a case to case basis of the additional cost incurred due to time over-run on account of factors beyond the control of the Generating
18.	**Incidental Expenditure during Construction (IEDC)**	Incidental Expenditure during Construction (IEDC) shall be computed from the Zero date and after taking into account the following: • Pre-operative expenses and additional expenditure when IDC is admissible necessary to be incurred upto COD as set out herein; • Adjustment for any revenue earned during construction period upto COD on account of interest on deposit or advances; • Adjustment for any other receipts during construction.
19.	**Sale of Infirm Power**	Treatment to the inform power shall be in accordance with the provisions of the TSERC (Deviation Settlement Mechanism and Related Matters) Regulations as and when specified by the Commission.
20.	**Debt Equity Ratio**	1. For determination of Tariff, the debt-equity ratio for any Project under commercial operation shall be considered as 70:30 of the amount of capital cost approved by the Commission after Prudence Check for determination of Tariff. 2. Where equity actually deployed is less than 30% of the capital cost of

		the capitalised assets, actual equity shall be considered for determination of 3. Tariff. 4. Where equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as notional loan of the Generating Entity. 5. The equity invested in foreign currency shall be designated in Indian rupees using the closing exchange rate at the date of each investment. 6. The premium, if any, raised by the Generating Entity while issuing share capital and investment of internal resources created out of its free reserves, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the Generating Entity, and are within the ceiling of 30% of capital cost approved by the Commission. 7. Any expenditure incurred or projected to be incurred on or after 1 April, 2019 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause 9.1 of this Regulation.
21.	**Depreciation**	• Depreciation shall be computed from the COP of a Generating Station or Unit thereof. In case of the Tariff of all the Units of a Generating Station for which a single Tariff needs to be determined, the depreciation shall be computed from the effective COD of the Generating Station taking into consideration the depreciation of Individual Units or elements thereof. • In hydro generating stations, if the salvage value provided in the agreement signed by the developer with the state government for development of the plant is less than 10% same shall be considered. • The land for reservoir in hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable values of the asset. • Depreciation shall be calculated annually, based on the straight line method and at rates specified in CERC (Terms and Conditions for Tariff) Regulations, 2014, as amended from time to time for the assets of the Generating Entity. • In case of the Existing Projects, the balance depreciable value as on 1 April, 2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31 March, 2019 from the gross depreciable value of the assets. • In case of De-Capitalisation of assets in respect of Generating Entity or Unit there of or any element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalised asset during its useful services. • Depreciation in case of plants that have been renovated and modernised: ➢ For the existing assets depreciation shall be allowed on the net asset value over the revised Useful Life of the plant. ➢ For new assets that have been installed as part of modernisation and renovation, depreciation shall be allowed equally over the Extended Life.
22.	**Return on equity (RoE)**	**RoE shall be computed at the following base rates:** Storage Type hydro Generating Stations including Pumped Storage Hydro Generating Stations and Run-of-River Generating Station with pondage: 16.50%.
23.	**Tax on return on equity**	1. The effective tax rate shall be considered on the basis of actual tax paid in the respect of the Financial Year in line with the provisions of the relevant Finance Acts by the concerned Generating Entity, as the case may be. 2. In case of Generating Entity paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess. 3. Any under-recovery or over-recovery of grossed up rate on RoE after truing up, shall be recovered or refunded to Beneficiaries or the long term transmission customers/DICs as the case may be on Year to Year basis.
24.	**Interest and**	• The loan outstanding as on 1st April of the respective Year shall be

<table>
<tr><td></td><td>finance charge on loan</td><td>worked out by deducting the cumulative repayment as admitted by the Commission from the gross loan.
The repayment for each of the Year of the Control Period shall be deemed to be equal to the depreciation allowed for the corresponding Year/period. In case of De-Capitalisation of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered up to the date of De-Capitalisation of such asset.
The repayment of loan shall be considered from the first Year of commercial operation of the Project irrespective of any moratorium period availed by the Generating Entity.</td></tr>
<tr><td>25.</td><td>Refinancing</td><td>12.6.1. The Generating Entity shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such refinancing shall be borne by the beneficiaries and the net savings shall be shared between the Beneficiaries and the Generating Entity in the ratio of 2:1 respectively subject to Prudence Check by the Commission.</td></tr>
<tr><td>26.</td><td>Interest on working capital</td><td>1. Rate of interest on working capital shall be on normative basis and shall be considered as the Bank Rate plus 150 basis points as on filing date or as on 1st April of the financial Year during the MYT period in which the Generating Station or Unit thereof is declared under commercial operation, whichever is later.
2. Rate of interest on working capital shall be on normative basis notwithstanding that the Generating Entity has not taken loan for working capital from any outside agency.</td></tr>
<tr><td>27.</td><td>Delayed Payment Charges</td><td>In case the payment of bills of generation Tariff and charges by the Beneficiary is delayed beyond a period of 60 Days from the date of billing, a delayed payment charge at the rate of 1.25% per month on the billed amount shall be levied for the period of delay by the Generating Entity, notwithstanding anything to the contrary as may have been stipulated in the agreement or arrangement with the Beneficiaries.</td></tr>
<tr><td>28.</td><td>Rebate</td><td>For payment of bills of generation Tariff and charges within 7 Days of presentation of biljs, through Letter of Credit or through NEFT/RTGS, a rebate of 2% on billed amount, excluding taxes, cess, duties etc., shall be allowed.</td></tr>
<tr><td>29.</td><td>Non-Tariff Income</td><td>The amount of Non-Tariff/other income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generating Entity.</td></tr>
<tr><td>30.</td><td>Norms of operation for hydro Generating Stations</td><td>Normative capacity index for recovery of annual Capacity charges
<table>
<tr><td></td><td>First Year of commissioning of the Generating Station</td><td>After first Year of commissioning of the Generating Station</td></tr>
<tr><td>Purely Run-of-river power stations</td><td>85%</td><td>90%</td></tr>
<tr><td>Storage type and Run-of- river power stations with pondage</td><td>80%</td><td>85%</td></tr>
</table></td></tr>
<tr><td>31.</td><td>Auxiliary Energy Consumption</td><td>1. Surface hydro-electric power Generating Stations with rotating exciters mounted on the generator shaft - 0.2% of energy generated.
2. Surface hydroelectric power Generating Stations with static excitation system - 0.5% of energy generated.
3. Underground hydroelectric power Generating Stations with rotating exciters mounted on the generator shaft - 0.4% of energy generated.
4. Underground hydroelectric power generating stations with static excitation system - 0.7% of energy generated.</td></tr>
<tr><td>32.</td><td>Operating & maintenance expenses (O&M)</td><td>Normative Operation and Maintenance Expenses for the first Year of a new Generating Entity shall be as per the norms approved by the CERC in Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 as amended from time to time, for respective Year unless specifically approved by the Commission.
O&M expenses of assets taken on lease/hire-purchase and those created out of the consumer's contribution shall be considered in case the Generating Entity has the responsibility for its operation and</td></tr>
</table>

		maintenance and bears O&M expenses.
33.	**Foreign Exchange Rate Variation**	The Applicant shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant Year on Year-to-Year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
34.	**Scheduling**	The methodology for scheduling and dispatch for the Generating Station shall be as specified in the Grid Code and TSERC's Regulations for Deviation Settlement Mechanism as and when notified by the Commission.
35.	**Metering and Accounting**	The provisions of the Grid Code and TSERC's Regulations for Deviation Settlement Mechanism as and when notified by the Commission shall be applicable.
36.	**Billing and Payment of charges**	Bills shall be raised for capacity charge, energy charge on monthly basis by the Generating Entity in accordance with these Regulations, and payments shall be made by the Beneficiaries.

TRIPURA ELECTRICTY REGULATORY COMMISSION

(Multi Year Tariff) Regulations, 2015, dated: 16.10.2015 with amendment dated: 30.08.2017

Sl. No.	Description	Summary
1.	**Control Period**	5 – Years
2.	**Applicability**	• These regulations shall apply in all cases where tariff for a generating station or a: ➢ unit thereof and a transmission system or an element thereof including communication system used for State transmission of electricity is required to be determined by the Commission; ➢ Further these regulations shall apply for determination of wheeling Tariff and Retail Supply tariff of distribution licensee for multiyear and one year also. • These regulations shall not apply for determination of tariff in case of the following: ➢ Generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines issued by the Central/state Government and adopted by the Commission; ➢ Generating stations based on renewable sources of energy whose tariff is determined in accordance with the Tripura Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010, as amended from time to time or any subsequent enactment thereof.
3.	**Date of Commercial Operation**	• Date of commercial operation in relation to a generating unit of hydro generating station shall mean the date declared by the generating company from 0000 hour of which, after seven days notice to the beneficiaries, scheduling process in accordance with the Grid code is fully implemented, and in relation to the generating station as a whole, the date declared by the generating company after demonstrating peaking capability corresponding to installed capacity of the generating station through a successful trial run, after seven days notice to the beneficiaries. • In relation to the generating station as a whole, the scheduling shall commence from 0000 hr after acceptance of the test results by the beneficiaries or within 48 hours after the trial run whichever is earlier.
4.	**Tariff determination**	• Tariff in respect of a generating station may be determined for the whole of the generating station or stage or generating unit or block thereof. • Where only a part of the generation capacity of a generating station is tied up for supplying power to the beneficiaries through long term power purchase agreement and the balance part of the generation capacity have not been tied up for supplying power to the beneficiaries, the tariff of the generating station shall be determined with reference to the capital cost of the entire project, but the tariff so determined shall be applicable corresponding to the capacity contracted for supply to the beneficiaries. • The Licensee or generating company shall provide to the Commission all details as given below and any other details that may be necessary for the purpose of computation of tariff and charges. The details provided needs to be duly verified and authenticated by person/authority submitting the petition. • The Commission, depending on the factors/available data/information, or any other material which it may consider appropriate, may either fix separate rate or by any other method impose extra charges, incentives, penalty etc. on the basic tariff keeping in view the interest of the Consumers, Licensee, Generating company or the sector as a whole.
5.	**Business Plan**	• The Generating Company, Transmission licensee, and Distribution Licensee for Distribution Wires Business and Retail Supply Business, shall file for the Commission's approval, not less than 180 days before the commencement of the first year of the Control Period or such other date as may be directed by the Commission, a Long Term Business Plan

		prepared in accordance with these regulations. • The overall annual limit for incurring capital expenditure on all such unapproved capital items shall not exceed Rs.25.0 crores or 2% of the opening balance of gross fixed assets whichever is lower. • All non-controllable costs as checked by the Commission with due diligence and prudence shall be treated as pass-through. • The generating company may make an application for determination of tariff for new generating station or unit thereof in accordance with this Regulation, in respect of the generating station or generating units thereof within 120 days of the anticipated date of commercial operation. • If the information furnished in the petition is in accordance with the TERC's Regulations, Indian Electricity Act, 2003 and is adequate for carrying out prudence check of the claims made, the Commission shall accept the petition within 14 days of the submission of petition complete in all respect or within 14 days of the submission of additional information/data as required as per appropriate regulation from the Licensee /Utilities. • Where tariff has been determined through the process of bidding in accordance with the guidelines issued by the Central Government, the Commission shall adopt such tariff in accordance with the provisions of the Act.
6.	**APR**	**Annual Performance Review (APR) -** The Commission shall carry out Annual Performance Review along with the tariff petition filed for the next tariff period.
7.	**Truing up**	• The Generating Company may file an application each year for truing up along with the tariff petition filed for the next tariff period and the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period. • The Commission shall have the discretion of providing regulatory assets. Regulatory assets shall be created only in case of the Licensee incurring losses on account of force majeure or cost variations due to uncontrollable factors or avoiding major tariff shocks because of these reasons. • The financial gains computed shall be shared in the ratio of 60:40 between generating company and the beneficiaries. • Where after the truing up, the tariff recovered exceeds the tariff approved by the Commission under these regulations, the generating company shall refund to the beneficiaries, the excess amount so recovered. • The amount under-recovered or over-recovered, along with simple interest at the rate equal to the bank rate as on 1st April of the respective year, shall be recovered or refunded by the generating company, in six equal monthly installments starting within three months from the date of the tariff order issued by the Commission.
8.	**Capital Cost**	• The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects. • In addition to the approved capital investment plan, the distribution licensee can seek provision for additional capital expenditure anytime during the tariff year to meet natural calamities involving substantial investments. The Commission shall examine and if satisfied shall approve the corresponding costs for inclusion in revenue requirement in the next period. • In case of any significant shortfall in physical implementation, the Commission shall require the Generation Company to explain the reasons, and may proportionately reduce the provision, including the interest and the return component, made towards revenue requirement, in the next period.
9.	**Prudence Check of Capital Expenditure**	• The Commission may issue new guidelines or revise the existing guidelines for vetting of capital cost of hydro-electric projects by an independent agency or an expert and in that event the capital cost as vetted by such agency or expert may be considered by the Commission while determining the tariff for the hydro generating station. • The Commission may issue new guidelines or revise the existing guidelines for scrutiny and approval of commissioning schedule of the hydro-electric projects in accordance with the tariff policy issued by the Central Government from time to time which shall be considered for prudence check.

		• Where the power purchase agreement entered into between the generating company and the beneficiaries provides for ceiling of actual capital expenditure, the Commission shall take into consideration such ceiling for determination of tariff for prudence check of capital cost.
10.	**Interest during Construction (IDC)**	In case of additional costs on account of IDC due to delay in achieving the scheduled COD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds
11.	**Incidental Expenditure during Construction (IEDC)**	In case of additional costs on account of IEDC due to delay in achieving the scheduled COD, the generating company shall be required to furnish detailed justification with supporting documents for such delay including the details of incidental expenditure during the period of delay and liquidated damages recovered or recoverable corresponding to the delay
12.	**Additional Capitalisation and De-capitalisation**	In hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation.
13.	**Renovation and Modernization**	• Where the generating company makes an application for approval of its proposal for renovation and modernization, the approval shall be granted after due consideration of reasonableness of the cost estimates, financing plan, schedule of completion, interest during construction, use of efficient technology, cost-benefit analysis, and such other factors as may be considered relevant by the Commission. • Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life extension, and after deducting the accumulated depreciation already recovered from the original project cost, shall form the basis for determination of tariff.
14.	**Sale of Infirm Power**	Supply of infirm power shall be accounted as deviation and shall be paid for from the regional deviation settlement fund accounts in accordance with the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof.
15.	**Debt-Equity Ratio**	For a project declared under commercial operation on or after the date of publication of this regulation on the Official Gazette, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan.
16.	**Capacity Charges**	The Wheeling Charges may be denominated in terms of Rupees/kWh or Rupees/kW/month, for the purpose of recovery from the Distribution System User, or any such denomination, as stipulated by the Commission from time to time.
17.	**Return on Equity**	Return on equity shall be computed at the base rate of 15.50% for run of the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage.
18.	**Tax on Return on Equity**	• The base rate of return on equity as allowed by the Commission shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company. • Penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the generating company. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to beneficiaries on year to year basis.
19.	**Interest on loan capital**	• The loans arrived at in the manner shall be considered as gross normative loan for calculation of interest on loan.

		• The normative loan outstanding as on the date of publication of this regulation on the Official Gazette shall be worked out by deducting the cumulative repayment as admitted by the Commission up to the date of publication of this regulation on the Official Gazette from the gross normative loan. • The repayment for each of the year of the tariff control period shall be deemed to be equal to the depreciation allowed for the corresponding year/period. • In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalization of such asset. • The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.
20.	**Depreciation**	• Depreciation shall be computed from the date of commercial operation of a generating station or element thereof. • In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units or elements thereof. • The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. • In hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant. • The capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff. • Land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • Depreciation shall not be allowed on assets funded by consumer contribution (i.e., any receipts from consumers that are not treated as revenue) and capital subsidies/ grants.
21.	**Interest on Working Capital**	• The rate of interest for working capital shall be Rate of interest on working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1st April of the year for which tariff is determined. • Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission/distribution licensee has not taken loan for working capital from any outside agency.
22.	**Operation and Maintenance Expenses**	• The normalized operation and maintenance expenses after prudence check, for the years 2009-10 to 2013-14, shall be escalated at the rate of 6.04% to arrive at the normalized operation and maintenance expenses at the 2013-14 price level respectively and then averaged to arrive at normalized average operation and maintenance expenses for the 2009-10 to 2013-14 at 2013-14 price level. The average normalized operation and maintenance expenses at 2013-14 price level shall be escalated at the rate of 6.64% to arrive at the operation and maintenance expenses for year 2014-15 and thereafter escalated at the rate of 6.64% p.a., to arrive at the O&M expenses for the control period. • In case of the hydro generating stations, which have not been in commercial operation for a period of three years as on 1.4.2015, operation and maintenance expenses shall be fixed at 2% of the original project cost (excluding cost of rehabilitation and resettlement works) for the first year of commercial operation. • Further, in such case, operation and maintenance expenses in first year of commercial operation shall be escalated @6.04% per annum up to the year 2013-14 and then averaged to arrive at the O&M expenses at 2013-14 price level. The average operation and maintenance expenses at 2013-14 price level shall be escalated at the rate of 6.64% to arrive at the operation and maintenance expenses for year 2014-15 and thereafter

		escalated at the rate of 6.64% p.a., to arrive at the O&M expenses for the control period.
23.	**Deviation Charges**	Variations between actual net injection and scheduled net injection for the generating stations, and variations between actual net drawal and scheduled net drawal for the beneficiaries shall be treated as their respective deviations and charges for such deviations shall be governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time or any subsequent re-enactment thereof.
24.	**Norms of operation for hydro generating stations**	• The following Normative annual plant availability factor (NAPAF) shall apply to hydro generating station: ➢ Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt: 90% ➢ In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF. ➢ Pondage type plants where plant availability is significantly affected by silt: 85%. ➢ Run-of-river type plants: NAPAF to be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant. • A further allowance of 5% may be allowed for geographical difficulties in North East Region as per discretion of the commission. • Auxiliary Energy Consumption (AUX): ➢ Surface hydro generating stations 1. with rotating exciters mounted on the generator shaft : 0.7% 2. with static excitation system : 1.00% ➢ Underground hydro generating stations 1. with rotating exciters mounted on the generator shaft : 0.9% 2. with static excitation system: 1.2%.
25.	**Scheduling**	The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code.
26.	**Metering and Accounting**	The provisions of the Grid Code shall be applicable.
27.	**Billing and Payment of charges**	• Bills shall be raised for capacity charge, energy charge and the transmission charge on monthly basis by the generating company and the transmission licensee in accordance with these regulations, and payments shall be made by the beneficiaries directly to the generating company or the transmission licensee, as the case may be. • Payment of capacity charge and energy charge for a hydro generating station shall be shared by the beneficiaries of the generating station in proportion to their shares (inclusive of any allocation out of the unallocated capacity) in the saleable capacity (to be determined after deducting the capacity corresponding to free energy to home State.
28.	**Rebate**	• For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating company or the transmission licensee, a rebate of 2% shall be allowed. • Where payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.
29.	**Late payment surcharge**	In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary, beyond a period of 60 days from the date of billing, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company or the transmission licensee, as the case may be.
30.	**Subsidy**	In case the State Government declares subsidy in advance or during tariff filing proceedings and the licensee incorporates the subsidy in the petition, the Commission shall notify two tariff schedules, one with subsidy and the other without subsidy.

31.	**Sharing of Clean Development Mechanism (CDM) Benefits**	• 100% of the gross proceeds on account of Clean Development Mechanism (CDM) to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission/distribution licensee, as the case may be; • 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 or the transmission/distribution licensee, as the case may be, and the beneficiaries.
32.	**Foreign Exchange Rate Variation**	• The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station in part or in full in the discretion of the generating company. • Every generating company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
33.	**Other Fee**	The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, may in the discretion of the Commission, be allowed to be recovered by the generating company directly from the beneficiaries.

UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions of Generation tariff) Regulations, 2019, Dated: 11.09.2019

Sl. No.	Description	Summary
1.	**Control Period**	5 – Years (2019-2024)
2.	**Applicability**	• These Regulations shall apply in all cases where tariff for a generating station or a unit thereof is required to be determined by the Commission. • These Regulations shall not apply for determination of tariff in case of the following: ➢ generating station whose tariff has been discovered through tariff based Competitive Bidding in accordance with the Guidelines issued by the Central Government and adopted by the Commission; ➢ generating station based on Renewable Sources of Energy whose tariff is determined in accordance with the UPERC (Captive and Non-Conventional Energy generating stations) Regulations, 2019 as amended from time to time or any subsequent enactment.
3.	**Clean Development Mechanism**	The generating company may adopt Clean Development Mechanism, for generating stations approved and commissioned on or after 1.4.2019, and the proceeds of carbon credit from approved CDM project shall be shared in the following manner, namely: ➢ 100% of the gross proceeds on account of CDM to be retained by the Project Developer in the first year after the date of commercial operation of the generating station; ➢ 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.
4.	**Deviation from ceiling tariff**	Tariff for sale of electricity by a generating company may also be determined in deviation of the norms specified in these Regulations subject to the conditions that: • The levelised tariff of electricity over the useful life of the Project, calculated on the basis of the norms in deviation does not exceed the per unit tariff calculated on the basis of the norms specified in these Regulations and after the generator submits complete workings along with assumptions at the time of filing of the tariff Application; and • Any such .deviation shall come into effect only after approval by the Commission.
5.	**Core Business**	For the purpose of these Regulations, Core Business means the regulated activity of Generation of electricity only and does not include any other business or activity of the generating company.
6.	**Tax on income**	• Tax on the income streams of the generating company from its core Business, shall be computed as an expense and shall be recoverable from Beneficiaries. • Any income stream other than the Core Business, shall not constitute a pass through component in tariff and tax on such other income shall be payable by the generating company. • Income- Tax allocated to the Beneficiaries shall be recovered in the proportion of Annual Fixed Charges in the proportion of Annual Capacity Charges in case of Hydro generating station. • Any under-recoveries or over-recoveries of Tax on income shall be adjusted every year on the basis of income- tax assessment under the Income-Tax Act, as certified by the Statutory auditors.
7.	**Tax Escrow Account**	The generating company shall be authorized to withdraw the amount for settling the tax liability on presentation to the Escrow holder, a certificate from Company's Statutory Auditor, that such amounts are immediately due to be paid to the Tax authorities. Such generating

<table>
<tr><td></td><td></td><td>Companies shall pay back any refund received from tax authority to such Tax Escrow Account.</td></tr>
<tr><td>8.</td><td>Hedging of Foreign Exchange Rate Variation (FERV)</td><td>The generating company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign currency loan taken for the generating station.</td></tr>
<tr><td>9.</td><td>Recovery of Income-tax and hedging cost of FERV</td><td>Recovery of Income-tax and cost of hedging only towards FERV shall be done directly by the generating company from the Beneficiaries without making any application before the Commission.</td></tr>
<tr><td>10.</td><td>Date of Commercial Operation</td><td>Date of commercial operation in case of a generating unit of hydro generating station including pumped storage hydro generating station shall mean the date declared by the generating company after demonstrating peaking capability corresponding to the Installed Capacity of the generating station.
Through a successful trial run after getting clearance from the respective RLDC or SLDC, as the case may be, and in case of the generating station as a whole, the date of commercial operation of the last unit of the generating station.
In case a hydro generating station with pondage or storage is not able to demonstrate the peaking capability corresponding to the installed capacity for the reasons of insufficient reservoir or pond level, the date of commercial operation of the last unit of the generating station shall be considered as the date of commercial operation of the generating station as a whole, and it will be mandatory for such hydro generating station to demonstrate peaking capability equivalent to installed capacity of the generating station or unit thereof as the case may be, as and when such reservoir/pond level is achieved.
If a run-of-river hydro generating station or a unit thereof is declared under commercial operation during lean inflows period when the water inflow is insufficient for such demonstration of peaking capability, it shall be mandatory for such hydro generating station or unit thereof to demonstrate peaking capability equivalent to installed capacity as and when sufficient water inflow is available. In case of failure to demonstrate the peaking capacity, the unit capacity shall be de-rated to the capacity demonstrated with effect from the COD.</td></tr>
<tr><td>11.</td><td>Trial Run or Trial Operation</td><td>Trial Run or Trial Operation in relation to a hydro generating station or a unit thereof for a continuous period of 12 hours.
Units of hydro generating stations shall also demonstrate capability to raise load upto 105% or 110% of the Maximum Continuous Rating or Installed Capacity.</td></tr>
<tr><td>12.</td><td>Determination of tariff</td><td>Tariff in respect of a generating station under these Regulations shall be determined Stage-wise, Unit-wise or for the whole generating station, as the case may be. However, on completion of projects the tariff may be determined for the whole station.
In relation to Multi- Purpose Hydroelectric generating stations, with irrigation, flood control and power components, the Capital Cost chargeable to the Power component of the generating station shall only be considered for determination of tariff.</td></tr>
<tr><td>13.</td><td>Truing up of Capital Expenditure and tariff for the period 2019-24</td><td>The Commission shall carry out Truing up exercise along with the tariff Petition filed for the next tariff period, for the following, after prudence check:
Capital Expenditure including Additional Capital Expenditure incurred up to 31.03:2024.
Capital Expenditure including Additional Capital Expenditure incurred up to 31.03.2024, on account of uncontrollable factors.
Where after the Truing up, if the tariff recovered exceeds the tariff approved by, the Commission under these Regulations, the generating company shall refund to the Beneficiaries, the excess amount so recovered along with simple interest at the rate equal to the Bank Rate prevailing as on 1st April of the relevant Year.
Where after the Truing up, if the tariff recovered is less than the tariff approved by the Commission under these Regulations, the generating company shall recover from the Beneficiaries, the under-recovered amount along with simple interest at the rate equal to the Bank Rate, prevailing as on 1st April of the relevant Year.</td></tr>
</table>

14.	**Capital Cost**	• Subject to prudence check by the Commission, the actual expenditure incurred on completion of the project shall form the basis for determination of final tariff for new and existing projects. • The capital cost in case of existing or new hydro generating station shall also include cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved. • The following shall be excluded or removed from the capital cost of the existing and new projects: ➢ In hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process.
15.	**Interest during Construction (IDC), incidental Expenditure during Construction (IEDC)**	• Interest during construction (IDC) shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds up to SCOD. • Incidental expenditure during construction (IEDC) shall be computed from the zero date and after taking into account pre-operative expenses upto SCOD. • In case of additional costs on account of IDC and IEDC due to delay in achieving the SCOD, the generating company shall be required to furnish detailed justifications with supporting documents for such delay including prudent phasing of funds in case of IDC and details of IEDC during the period of delay and liquidated damages recovered or recoverable corresponding to the delay. • In case of delay in achieving the COD is attributable either in entirety on in part to the generating company or its contractor or supplier or agency, in such cases, IDC and IEDC beyond SCOD may be disallowed after prudence check either in entirety or on pro-rata basis corresponding to the period of delay not condoned and the liquidated damages, if any, recovered from the contractor or supplier or agency shall be retained by the generating company and shall be taken into account for computation of capital cost.
16.	**Additional capitalization**	• The additional capital expenditure in respect of a new project or an existing project, within the original scope of work as per Detailed Project Report (DPR), actually incurred after the date of commercial operation and up to the cut - off date may be admitted by the Commission, subject to prudence check. • In case of de-capitalisation of the assets of a generating company, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised. • Additional capitalisation on account of Renovation and Modernization (R&M): ➢ The generating company, for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the generating station or a unit thereof, shall make an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, record of consultation with beneficiaries and any other information considered to be relevant by the generating company.
17.	**Sale of Infirm Power**	• Supply of infirm power shall be accounted for deviation in accordance with CERC (Deviation Settlement Mechanism and Related matters) Regulations, 2014, as amended from time to time till DSM Regulations of the Commission are notified. • The start - up power drawn by the generating station from the grid shall be adjusted with ex-bus energy and such energy shall be billed to its beneficiaries in the proportion of contracted capacities.

18.	**Debt-Equity Ratio**	In case of all generating stations, debt-equity ratio as on the date of commercial operation shall be 70:30 for determination of tariff. Where equity employed is more than 30%, the amount of equity for determination of tariff shall be limited to 30% and the balance amount shall be considered as the normative loan.
19.	**Capacity (Fixed) Charge**	The fixed cost of a hydro generating station shall be computed on annual basis, based on norms specified under these Regulations, and shall be recovered on monthly basis under capacity charge (inclusive of incentive) which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station, i.e., in the capacity excluding the free power to the home State.
20.	**Return on Equity**	Return on equity shall be computed in rupee terms on the equity base determined in accordance with these Regulations @ 15% per annum.
21.	**Interest on loan capital**	• The rate of the interest shall be the weighted average rate of interest calculated on the basis of actual loans at the beginning of each financial year and shall be adjusted based on actual loan each financial year accordingly. • In case any moratorium period is availed of by the generating company, Depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
22.	**Depreciation**	• The value base for the purpose of depreciation shall be the capital cost of the asset as admitted by the Commission. In case of multiple units of a generating station weighted average life for the generating station shall be applied. Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro rata basis. • The residual life 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. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of asset.
23.	**Operation and maintenance expenses**	• The normative values of operation and maintenance expenses including insurance, for the existing hydro generating stations shall be as approved by the Commission in the tariff order based on the expenses approved in the previous control period, escalation rate of 4.47% per annum and any other factor as considered appropriate by the Commission. • In case of the hydro generating stations declared under commercial operation on or after the date of commencement of these Regulations, the base operation and maintenance expenses shall be fixed at 3.50% and 5.0% of the original project cost (excluding cost of rehabilitation & resettlement works, IDC and IEDC) for first year of commercial operation for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be subject to annual escalation of 6.64% per annum for the subsequent years.
24.	**Interest on Working Capital**	• Rate of interest on working capital shall be on normative basis and shall be considered as the Bank Rate as on 01.04.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof is declared under commercial operation, whichever is later. • In case of truing-up, the rate of interest on working capital shall be considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24. • interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency.
25.	**Billing and Payment of Capacity Charges**	In hydro generating station, each beneficiary shall pay the capacity charges in proportion to its percentage share in total saleable capacity of the generating station. Saleable capacity shall mean total capacity minus free capacity to home state(s) in case of IPP, if any.
26.	**Norms for Hydro Power generating stations**	Normative Annual station Availability Factor for recovery of full capacity charges:

<table>
<tr><td></td><td></td><td>➢ Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt: 90%
➢ In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.
➢ Pondage type plants where plant availability is significantly affected by silt: 85%</td></tr>
<tr><td>27.</td><td>Auxiliary Energy Consumption (AUX)</td><td><table>
<tr><th>Type of station</th><th>AUX (% of energy generated)</th></tr>
<tr><td>Surface</td><td></td></tr>
<tr><td>Rotating Excitation</td><td>0.7%</td></tr>
<tr><td>Static Excitation</td><td>1.0%</td></tr>
<tr><td>Underground</td><td></td></tr>
<tr><td>Rotating Excitation</td><td>0.9%</td></tr>
<tr><td>Static Excitation</td><td>1.2%</td></tr>
</table></td></tr>
<tr><td>28.</td><td>Energy charges</td><td>The energy charge shall be payable by every beneficiary for the total energy scheduled to be supplied to the beneficiary, excluding free energy, if any, during the calendar month, on ex power plant basis, at the computed energy charge rate.</td></tr>
<tr><td>29.</td><td>Scheduling</td><td>• For run-of-river power stations without pondage, since variation of generation in such stations may lead to spillage, these shall be treated as must run stations. The maximum available capacity, duly taking into account the over load capability, must be equal to or greater than that required to make full use of the available water.
• The State Load Despatch Centre shall ensure that generation schedules of run-of-river power station with pondage and storage type power stations are prepared and the stations dispatched for optimum utilization of available hydro energy except in the event of specific system requirements/constraints.</td></tr>
<tr><td>30.</td><td>Demonstration of Declared Capability</td><td>• The generating company may be required to demonstrate the declared capability of its generating station as and when asked by the State Load Despatch Centre. In the event of the generating company failing to demonstrate the declared capability, the capacity charges due to the generator shall be reduced as a measure of penalty.
• The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days' fixed charges. For the second mis-declaration the penalty shall be equivalent to fixed charges for four days' and for subsequent mis-declarations, the penalty shall be multiplied in the geometrical progression.</td></tr>
<tr><td>31.</td><td>Metering and Accounting</td><td>Metering arrangements, including installation, testing and operation and maintenance of meters and collection, transportation and processing of data required for accounting of energy exchanges and average frequency on 15-minute time block basis shall be organized by the State Transmission Utility in consultation with State Load Despatch Centre.</td></tr>
<tr><td>32.</td><td>Billing and payment of Charges</td><td>Bills shall be raised for capacity charge and energy charge by the generating company on monthly basis in accordance with these Regulations, and payments shall be made by the beneficiaries directly to the generating company.</td></tr>
<tr><td>33.</td><td>Recovery of Application fee and Statutory Charges</td><td>• The generating company shall be allowed recovery of statutory charges imposed by the State and Central Government such as electricity duty, water cess and payment to the pollution control board in addition to Application fee, subject to prudence check by the Commission.
• In case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station (excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month.</td></tr>
</table>

34.	**Deviation Charges**	• Deviations charges shall be governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related matters) Regulations, 2014, till DSM Regulations of the Commission are notified. • Actual net deviation of every generating station and Beneficiary shall be metered on its periphery through special energy meters (SEMs) installed by the State Transmission Utility (STU), and computed in MWh for each 15-minute time block by the State Load Despatch Centre.
35.	**Rebate**	• For payment of bills of capacity charges and energy charges through a letter of credit on presentation, or through NEFT/RTGS within a period of 5 days of presentation of bills by the generating company, a rebate of 1.50% shall be allowed. • Where payments are made on any day after 5 days and within a period of 30 days of presentation of bills by the generating company, a rebate of 1% shall be allowed. • No rebate beyond a period of 30 days of presentation of bills by the generating company shall be payable.
36.	**Late Payment Surcharge**	In case the payment of bills of capacity charges and energy charges by the beneficiary (ies) is delayed beyond a period of 45 days from the date of billing, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company.

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2018, Dated: 14.09.2018

Sl. No.	Description	Summary
1.	**Control Period**	3 – Years starting from April 01, 2019 and upto March 31, 2022
2.	**Applicability**	• These Regulations shall apply in - Supply of electricity by a Generating Company to a Distribution Licensee, Intra-State transmission of electricity, SLDC Charges, Retail supply of electricity. • In case of distribution of electricity in the same area by two or more Distribution Licensees, the Commission may, for promoting competition among Distribution Licensees, fix only maximum ceiling of tariff for retail sale of electricity. • These Regulations shall not apply on generating stations, whose tariff has been discovered through a transparent process of bidding in accordance with the competitive bidding guidelines notified by the Central Government and adopted by the Commission.
3.	**Multi-Year Framework**	• Business plan submitted by the applicant for the entire control period for the approval of the Commission prior to the beginning of the control period. • Applicant's forecast of expected ARR for each year of the control period, based on reasonable assumptions and financial & operational principles/parameters laid down under these Regulations submitted along with the MYT petition for determination of Aggregate Revenue Requirement and Tariffs for first year of the control period. • Review of control period ending on 31.03.2019 shall also be taken up along with the ARR/Tariff petition for the first year of ensuing control period.
4.	**Baseline Values**	Determined by Commission
5.	**Business Plan**	• An Applicant shall submit, under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, a Business Plan by November 30th, 2018, for the Control Period of three (3) financial years from April 1, 2019 to March 31, 2022. • The Commission shall scrutinize and approve the business plan after following the due consultation process.
6.	**MYT Petition for the Control Period**	The applicant shall submit under affidavit and in accordance with UERC Conduct of Business Regulations as amended from time to time, the forecast of Aggregate Revenue Requirement and expected revenue from tariff for each year of the- Control Period, accompanied by fees applicable, latest by 30th November of the year previous to the start of the Control Period in the formats specified by the Commission.
7.	**Annual Performance Review**	• The Applicant shall under affidavit and as per the UERC Conduct of Business Regulations as amended from time to time, make an application for Annual Performance Review by November 30th of every year. • Upon completion of the review, the Commission shall attribute any variations or expected variations in performance, for variables stipulated under this Regulation, to factors within the control of the applicant (controllable factors) or to factors beyond the control of the applicant (uncontrollable factors). • Upon completion of the Annual Performance Review, the Commission shall pass an order recording- a) The approved aggregate gain or loss to the Applicant on account of uncontrollable factors and the mechanism by which the Applicant shall be allowed such gains or losses. b) The approved aggregate gain or loss to the Applicant on account of controllable factors and sharing of such gains or such losses that may be shared. c) The approved modifications to the forecast of the Applicant for the current and/or ensuing year, if any.
8.	**Sharing of Gains and Losses on account of**	The approved aggregate gain or loss to the Applicant on account of uncontrollable factors shall be allowed as an adjustment in the tariff/charges of the Applicant over

	Uncontrollable factors	such period as may be specified in the Order of the Commission.
9.	**Sharing of Gains and Losses on account of Controllable factors**	The approved aggregate gain and loss to the Applicant on account of controllable factors shall be dealt with in the following manner: • 1/3rd of such gain or loss shall be passed on as a rebate or allowed to be recovered in tariffs over such period as may be specified in the Order of the Commission; • The balance amount of such gain or loss may be utilized or absorbed by the Applicant.
10.	**Periodicity of Tariff determination**	The tariff and charges for recovery of ARR for a Transmission Licensee or a Distribution Licensee or a Generating Company or SLDC shall ordinarily be determined not more than once in a year, except in respect of any changes expressly permitted under the terms of fuel surcharge formula as may be specified under these Regulations on account of fuel cost and power purchase cost.
11.	**Petition for determination of Tariff**	• An application for determination of Tariff under the Act shall be made in such form and in such manner as specified in these Regulations, and accompanied by such fees as may be specified under the UERC (Fees and Fine) (First Amendment) Regulations, 2012 as amended from time to time. • If a person holds more than one licence and/or is deemed to be Licensee for more than one area of distribution or transmission, he shall submit separate calculations as above in respect of each licence or area of transmission or distribution. Similarly, a generating company shall submit generating station-wise calculations. • Notwithstanding anything contained in these Regulations, in case of delay/non-submission of the application for determination of tariff and annual performance review beyond one month from the scheduled date of submission, the Commission may initiate suo-moto proceedings for filing the said applications.
12.	**Review at the End of the Control Period**	• The Commission shall analyse the performance with respect to the targets set out at the beginning of the control period and shall determine the base value for the next control period, based on actual performance achieved, expected improvement and other relevant factors. • The annual review of performance of the final year of control period and truing-up of the immediately preceding final year of the control period shall be undertaken based on the norms as defined in the Regulations prevalent for the financial year.
13.	**Capital Cost and capital structure**	• The capital cost in case of new hydro generating station shall include: 1. Cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and 2. Cost of developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area. • The following shall be excluded or removed from the capital cost of the existing and new project: 1. In hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding; and 2. the proportionate cost of land which is being used for generating power from generating station based on renewable energy. • The approved Capital Cost shall be considered for tariff determination and if sufficient justification is provided for any escalation in the Project Cost, the same may be considered by the Commission subject to prudence check. • If the generating station is not commissioned on the SCOD or actual COD whichever is later of the associated transmission system, the generating company shall bear the IDC and IEDC or transmission charges if the transmission system is declared under commercial operation by the Commission till the generating station is commissioned. • In case the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company), by a State Government by following a two stage transparent process of bidding, any expenditure incurred or committed to be incurred by the project developer including premium paid/payable for getting the project site allotted shall not be included in the capital cost.
14.	**Interest During Construction (IDC)**	Interest during construction shall be computed corresponding to the loan from the date of infusion of debt fund, and after taking into account the prudent phasing of funds upto SCOD.
15.	**Incidental Expenditure**	• Incidental expenditure during construction shall be computed from the zero date

	During Construction (IEDC)	and after taking into account pre-operative expenses upto SCOD. • In case the time over-run beyond SCOD is not admissible after due prudence, the increase of capital cost on account of cost variation corresponding to the period of time over run may be excluded from capitalization irrespective of price variation provisions in the contracts with supplier or contractor of the generating company or the transmission licensee or the distribution licensee or SLDC.
16.	**Initial Spares**	• Hydro generating stations - 4.0% • Restructuring of capital in terms of relative share of equity and loan shall be permitted during the tariff period provided it does not affect tariff adversely. Any benefit from such restructuring shall be shared with the persons sharing the capacity charge in case of a generating company and to long term intra-State open access customers of Transmission or Distribution Licensee or consumers in case of such Licensees in the ratio of 2:1, with 2/3rd being retained by the Applicant and I/3rd being passed on to the beneficiaries.
17.	**Additional Capitalisation and De-Capitalisation**	• The following capital expenditure within the original scope of work actually incurred or projected to be incurred after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check: ➢ Undischarged liabilities; ➢ Works deferred for execution; ➢ Liabilities to meet award of arbitration or for compliance of the order or decree of a court and; ➢ On account of change in law. • The capital expenditure of the following nature actually incurred after the cut-off date may be admitted by the Commission, subject to prudence check: ➢ In case of hydro generating stations, any additional expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company), including due to geological surprises, after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation. • In case of de-capitalisation of assets of a generating company, the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place, duly taking into consideration the year in which it was capitalised.
18.	**Renovation and Modernisation**	Any expenditure incurred or projected to be incurred and admitted by the Commission after prudence check based on the estimates of renovation and modernization expenditure and life-extension, and after writing off the original amount of the replaced assets and deducting the accumulated depreciation including advance against depreciation already recovered from the Original project cost, shall form the basis for determination of Tariff.
19.	**Debt-Equity Ratio**	• For a project declared under commercial operation on or after 01.04.2019, debt-equity ratio shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as normative loan. Where actual equity employed is less than 30%, the actual equity would be used for determination of Return on Equity in tariff computations. • In case of Generating Company, where investments have been made prior to 01.04.2019, Debt: Equity Ratio shall be as approved by the Commission in the previous Orders.
20.	**Return on Equity**	• Return on equity shall be commuted on at the base rate of 15.5% for run of the river hydro generating station and at the base rate of 16.50% for the storage type hydro generating stations and run of river generating station with pondage and distribution licensee on a post-tax basis. • In case of generation and transmission projects commissioned on or after 1st April, 2019, an additional Return of 0.5% shall be allowed if such projects are completed within the timeline.
21.	**Interest and finance charges on loan capital and on Security Deposit**	• The repayment for each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation

		recovered upto the date of decapitalization of such asset. • The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio of the previous year after providing appropriate accounting adjustment for interest capitalized. • The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. • The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing. • Interest shall be allowed on the amount held as security deposit by the Distribution Licensee from consumers, at the rate as may be decided by the Commission from time to time.
22.	**Depreciation**	• 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. • The land for reservoir in hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.
23.	**Lease charges**	Lease charges for assets taken on lease by a generating company, shall be considered as per lease agreement provided they are considered reasonable by the Commission.
24.	**Operation & Maintenance Expenses**	• For Generating Stations in operation for less than 5 years preceding the base year: In case of the hydro electric generatmg stations, which have not been in existence for a period of five years preceding the base year, i.e. FY 2017-18, the operation and maintenance expenses for the base year of FY 2017-18 shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively, for the first year of operation and shall be escalated from the subsequent year in accordance with the escalation principles. • For Generating Stations declared under commercial operation on or after 01.04.2019: In case of new hydro electric generating stations, i.e. the hydro electric generating stations declared under commercial operation on or after 1.4.2019, the base operation and maintenance expenses for the year of commissioning shall be fixed at 4% and 2.5% of the actual capital cost (excluding cost of rehabilitation & resettlement works) as admitted by the Commission, for stations less than 200 MW projects and for stations more than 200 MW respectively and shall be escalated from the subsequent year in accordance with the escalation principles.
25.	**Bad and doubtful debts**	• The Commission may allow a provision for bad and doubtful debts upto 1% of the estimated annual revenue of the distribution licensee, subject to actual writing off of bad debts by it in the previous years. • Where the total amount of such provisioning allowed in previous years for bad and doubtful debts exceeds five (5) per cent of the receivables at the beginning of the year, no such appropriation shall be allowed which would have the effect of increasing the provisioning beyond the said maximum.
26.	**Foreign Exchange Rate Variation (FERV)**	Cost of hedging for foreign exchange variation towards interest payment and loan repayment shall be allowed on year-to-year basis and shall be payable on the due date of payments and subject to prudent check by the Commission. The Applicant shall provide full particulars of such cost of hedging to the Commission.
27.	**Interest on Working Capital**	• Rate of interest on working capital shall be on normative basis and shall be equal to the State Bank Advance Rate (SBAR) of State Bank of India as on the date on which the application for determination of tariff or truing up or annual performance review is made. • In case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with

<table>
<tr><td></td><td></td><td colspan="2">these Regulations.</td></tr>
<tr><td>28.</td><td>Tax on Income</td><td colspan="2">Income Tax, if any, on the income stream of the regulated business of Generating Companies shall be reimbursed to the Generating Companies as per actual income tax paid, based on the documentary evidence submitted at the time of truing up of each year of the Control Period, subject to the prudence check.</td></tr>
<tr><td>29.</td><td>Surcharge and additional surcharge</td><td colspan="2">Surcharge and additional shall be considered as income and treated in the manner as may be specified by the Commission.</td></tr>
<tr><td>30.</td><td>Income from Other Business</td><td colspan="2">Revenue from other business shall be treated as income to the extent authorized by the Commission</td></tr>
<tr><td>31.</td><td>Sharing of Clean Development Mechanism (CDM) credit</td><td colspan="2">1. 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be;
2. 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 or the transmission licensee, as the case may be, and the beneficiaries.</td></tr>
<tr><td>32.</td><td>Sale of Infirm Power</td><td colspan="2">Supply of infirm power shall be accounted as deviation and shall be paid for from the State deviation pool account in accordance with the UERC (Deviation Settlement Mechanism and Related matters) Regulations, 2017, as amended from time to time or any subsequent re-enactment thereof.</td></tr>
<tr><td>33.</td><td>Non-Tariff Income</td><td colspan="2">The Generating Company shall submit full details of its forecast of non-tariff income to the Commission in such form as may be stipulated by the Commission from time to time.</td></tr>
<tr><td rowspan="6">34.</td><td rowspan="6">NAPAF</td><td colspan="2">Normative Annual Plant Availability Factor:
For existing hydro generating stations:
The trajectory for NAPAF fixed by the Commission in case of existing hydro generating stations, in the preceding Control Period would continue to be applicable. However, the NAPAF of the stations undergone RMU would be adjusted accordingly, considering the impact of RMU.
For new hydro generating stations:</td></tr>
<tr><td>Particulars</td><td>Normative Plant Availability Factor</td></tr>
<tr><td>Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt.</td><td>90%</td></tr>
<tr><td>Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt.</td><td>The month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.</td></tr>
<tr><td>Pondage type plants where plant availability is significantly affected by silt.</td><td>85%</td></tr>
<tr><td>Run-of-river type plants.</td><td>To be determined plant-wise</td></tr>
<tr><td>35.</td><td>Scheduling</td><td colspan="2">The methodology for scheduling and dispatch for the generating station shall be as specified in the Grid Code.</td></tr>
<tr><td>36.</td><td>Metering and Accounting</td><td colspan="2">The provisions of Uttarakhand Electricity Regulatory Commission (State Grid Code) Regulations, 2016 and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time shall be applicable.</td></tr>
<tr><td>37.</td><td>Billing and payment of Charges</td><td colspan="2">• Billing and Payment of Annual Fixed Charges, Energy Charges and Incentive for Generating Stations shall be done on a monthly basis subject to adjustments at the end of the year.
• The Distribution Licensees and persons having power purchase agreement for firm power for more than one year shall pay the fixed/capacity charges in</td></tr>
</table>

		proportion to their percentage share, allocation or contract in the installed capacity of a generating station. • If any capacity remains un-requisitioned in any period, the Generating Company shall be free to sell electricity to any person including a person outside the State and such person to whom electricity is sold shall also share the fixed/capacity charges in addition to persons in proportion to the capacity utilized by such person.
38.	**Purchase of Electricity by the Generating station/Start up Power**	• In case of electricity generated from the plant is sold to the State Distribution Licensee, the electricity (in kWh) procured by the Generating Station from the State Distribution Licensee to meet its requirement of startup power, will be adjusted from the electricity sold to the Distribution Licensee. • In case of electricity generated from the plant is sold to third party other than the State Distribution Licensee, then such purchase of electricity by the generating company from the State distribution licensee, shall be charged as per the tariff determined by the Commission for temporary supply under appropriate "Rate Schedule of tariff" for Industrial Consumers considering maximum demand during the month as the contracted demand for that month. The Fixed/Demand charges for that month shall be payable for the number of days during which such supply is drawn. Such Generating Company shall, however, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges.

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

(Terms and Conditions of Tariff) Regulations, 2011 dated: 25.04.2011 with amendments dated: 27.08.2012, 30.07.2013

Sl. No.	Description	Summary
1.	**Control Period**	N.A.
2.	**Applicability**	• They shall apply to determination of tariff by the Commission. • They shall apply for regulating purchase and procurement process of distribution licensees which may include the price at which electricity shall be procured from the generating companies or the licensees or from other sources through agreement for purchase of power for distribution and supply within the state. • They shall not apply to the following types of cases for the purpose of determination of tariff by West Bengal Electricity Regulatory Commission, but shall apply to such cases for the purpose of determination of wheeling and / or transmission charges and/or avoided cost for applicable cross subsidy surcharge; ➢ Use of electricity from captive generating plants for own consumption by the owner of the captive generating plant; ➢ In such cases where there is direct commercial relationship through supply by a generating station to a consumer under open access mode; ➢ In such cases where there is direct commercial relationship through supply by an electricity trader to a consumer of a distribution licensee; ➢ In such cases where there is direct commercial relationship through supply by a distribution licensee to a consumer of another distribution licensee outside the area of supply of the first distribution licensee under open access mode; ➢ In such cases where a consumer of a distribution licensee is drawing power from any other source through any power exchanges as approved by CERC or WBERC; ➢ In such cases where the supply is by a person exempted under section 13 or under 8th proviso to section 14 of the Act to consumer or distribution licensees or electricity trader through open access by using the electrical network of any licensee.
3.	**Multi Year Tariff (MYT) Framework**	MYT framework shall be based on the following elements, for calculation of ARR and ERC of each ensuing year and determination of tariff for first ensuing year and amendment of the tariff in the second and onwards ensuing year after due permitted adjustment with the ARR of the ensuing year as determined in the first ensuing year. ➢ Due to any addition or deletion of new source of supply of electricity to a licensee, the consequential changes in ARR for an ensuing year already determined in the first year of the control period may be done along with changes in input energy to the extent it is affected by such addition or deletion. ➢ For non-compliance of any direction of the Commission in the tariff order or order of APR, the Commission may withhold or deduct any amount from the ARR of any ensuing year through the tariff order or order of the APR.
4.	**Manner for provision of subsidy by State Government**	➢ With effect from the date of publication of these regulations, if the state government requires or if, as a consequence of state government's any decision, there is requirement of the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the state government shall pay in advance the amount to compensate the licensee / person affected by the grant of subsidy in the manner specified in these regulations. ➢ In case of shortfall in actual release of subsidy, either because of errors in estimation or for any other reason, such shortfall, shall be shown clearly in the consumers' bill and shall be distributed on a pro rata basis among the concerned eligible consumers until such time the shortfall is reduced or eliminated.
5.	**Impact of Commencement of Generating Station within a control period of Multiyear Tariff**	• If the generating station/unit for whom ARR is being determined under these regulation is owned by a licensee then as a consequence of the ARR determination for such new generating station/unit recovery of such ARR through tariff is required then the Commission may allow recovery of such ARR through an adhoc tariff to be known as Adhoc Generation Cost till next tariff is determined

		or amended in the second or any ensuing year. Such Adhoc Generation cost will also be subject to FPPCA as per these regulation. • During APR of the generating company or the distribution licensee the ARR of the generating station or unit as the case may be, for which tariff is determined under these regulation as a part of the generating station and the Adhoc Generation Cost realized shall be accordingly adjusted.
6.	**Annual Performance Review**	• During the control period for any ensuing year or base year, a generating company or a licensee shall be subjected to an annual performance review covering annual fixed charges, fixed cost, incentives as per these regulation and effects of gain sharing on the parameters under these regulations which are not covered under the process of FPPCA. • The generating company / licensee shall make an application seeking an annual performance review for fixed cost, incentives as per Schedule-10 and effects of gain sharing for the concerned period as per Schedule - 9B for an ensuing year or the base year with statutory audited data and a copy of the audited Annual Accounts for that year by November of the immediate next ensuing year of each such ensuing year or base year, as the case may be. • If a generating company or a licensee does not file an application for annual performance review for a base year or an ensuing year within the specified date, the Commission may undertake APR for that base year or ensuing year, as the case may be, suo-moto, on the basis of available records.

7.	**Determination of Tariff**	• **Existing generating station:**
		Where the Commission has, at any time prior to the notification of these regulations, approved a power purchase agreement or arrangement between a generating company and a distribution licensee or has adopted the tariff contained therein for supply of electricity from an existing generating station then the tariff for supply of electricity by the generating company to the distribution licensee shall be in accordance with such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission.
		• **New generating stations:**
		The tariff determination for the supply of electricity by a generating company to a distribution licensee from a new generating station within the state shall be in accordance with a power purchase agreement approved by the Commission and subject to prior approval of the investment amount of the generating company by the Commission, except if such power purchase agreement has been exempted from requiring such approval in accordance of these regulations.
		• **Own generating stations:**
		  • Where a distribution licensee also undertakes the business of generation of electricity, the cost at which electricity is supplied by the generation business of the distribution licensee to his core business shall be determined by the Commission in a similar manner as may be done for a generating station of a generating company.
		  • The distribution licensee shall maintain separate records for the generation business, business for sale of power to each person other than its consumers of its area of supply, if any, and shall maintain an allocation statement in accordance with the forms specified in these regulations.
		• **Investment Approval:**
		The approval of the Commission for investment for new generating station, commissioned after 31.12.2007 is mandatory, if electricity is received directly by any distribution licensee under the purview of the Commission from such generating station situated within the state or such electricity is purchased under electricity Act.

8.	**Project under Construction**	Notwithstanding anything contained these regulations, for the projects for which the investment has already been made before 09.02.2007 but not yet commissioned fully, the licensee or generating company concerned shall submit their investment proposal as per latest revised project cost, if any for approval of the Commission. Any subsequent revision of such investment must also be required to be got approved by the Commission before filing application for determination of tariff.
9.	**Approval of Capital Expenditure of Commissioned Projects, i.e., Utilities under Commercial Operation**	• A licensee or a generating company may undertake capital expenditure in small schemes, which do not fall within the capital expenditure programme approved by the Commission in pursuance of these regulations, provided the aggregate expenditure on such schemes does not exceed Rs 300 crore or 5 % of the gross fixed asset of the generation business of the generating company, whichever is lower during the year concerned, subject to following conditions:

		(i) No approval is required to be taken for Capital Expenditure for the schemes other than those mentioned in SI. No. (iii) below, in a year upto the amount of Rs. 300 crore or 5% of the gross fixed asset of the concerned business whichever is lower as mentioned above. (ii) For providing service connection by a distribution licensee to the applicant for new connection the capital expenditure incurred for network development from and beyond distribution sub-station as defined in SOP will not require any prior investment approval. (iii) If capital expenditure, other than those mentioned in SI. No. (ii), exceeds Rs. 300 crore or 5% of the gross fixed asset of the concerned business whichever is lower as mentioned above, prior approval is required to be taken for Capital Expenditure for such small schemes and which are undertaken beyond the above limit prior to incurring such expenditure. (iv) Under this provision no proposal for a new generating station will be allowed. • Investment approval is also mandatory for Renovation and Modernization Programme or Life Extension Programme or Replacement Programme inclusive of retrofitting nature of any generating station.
10.	**Operating Norms and Standard of Operating Performance**	• The operating norms of different operational parameters pertaining to the year 2014-15 and onwards on the basis of which the annual revenue requirement of any generating station or licensee will be determined, according to these regulations. • Beyond 2014-15, the values of applicable operating norms of different operational parameters for any ensuing year will be the same as in these Regulations till the Commission comes out with a new set of values through any order or Regulations. • For the period prior to 2014-15 the applicable operating norms will be as per the norms of the Regulations on the basis of which the ARR requirement for each ensuing year of the concerned control period is declared in the tariff order of the first year of that control period.
11.	**Tariff Through Competitive Bidding Route**	• Notwithstanding anything to the contrary contained anywhere else in these regulations, the Commission shall adopt the tariff for supply of electricity by a generating company to a distribution licensee if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. • The owner of the generating station(s) shall apply to the Commission for adoption of such tariff showing the capacity charge and energy charge separately for different years along with all documents starting from tender/bid inviting process to final evaluation stage. • The generating station whose tariff has been adopted as a result of competitive bidding, shall not be subjected to any APR or any gain sharing as per these regulations.
12.	**Adherence to Tariff Order**	• The tariff shall normally be revised from the prospective date unless there is a compelling reason to revise the same from the retrospective date in which case detailed justification will be given in writing by the Commission. • If any licensee or generating company recovers a price or charge exceeding the tariff determined in accordance with these regulations, the excess amount should be refunded along with interest as determined by the Commission without prejudice to any other liability incurred by such licensee or generating company.
13.	**Mitigation of Regulatory Uncertainty and Risk**	• Notwithstanding anything to the contrary contained anywhere else in these regulations or in any other regulations of the Commission, the distribution licensee may purchase electricity from any other source(s) of 50 MW or below at any price over the stipulated price of procurement as provided in the tariff order, if it is found to be beneficial to the consumers on any of the following ground(s). ➢ If there is shortage in power and such purchase price is less than any of the following; ❖ the rate of UI charges or prices available through power exchange whichever is higher for the relevant time block. ❖ the weighted average rate of UI charges or prices available through power exchanges whichever is higher for relevant comparable time period within last one year from the commencement of the period for which such purchase is/will take place. • Notwithstanding anything to the contrary contained anywhere else in these regulations, if any activity of any generating company or licensee which needs governance under any regulation is found to have started prior to coming into

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<tr><td></td><td></td><td>force of such regulation, then in such case the generating company or licensee shall bring to the notice of the Commission such fact and the Commission may dispose of such matter in such a way so that the licensee or generating company does not face any loss due to any reason(s) that was needed to be addressed before coming into force of such regulation.</td></tr>
<tr><td>14.</td><td>Time-of-the-Day (TOD) Tariff</td><td>To promote demand side management, tariff for consumer may be differentiated by the Commission on the basis of time at which supply is required subject to the condition that the average price of electricity drawn under any such TOD tariff scheme by a consumer in a day shall be less than the non TOD tariff scheme applicable for him, if such drawal is at same level throughout the day.</td></tr>
<tr><td>15.</td><td>Factors in which Supply is depend</td><td>Differentiation on the basis of the Period of the Year:

The Commission may introduce separate tariff by differentiating on the basis of average tariff rate, for three seasons of summer, monsoon and winter, of the generating company. However, none of such differential tariff shall be higher than 15% of the average tariff.
If due to such differentiation, any variation in the generating company's revenue earning from generating stations exceeds the aggregate revenue requirement, such excess revenue earning shall be treated as an incentive to the generating company.
In case of loss of revenue due to generation not commensurate with the demand pattern, such loss shall not be compensated through tariff.

Differentiation on the basis of the geographical area:

The Commission may differentiate the tariff of licensees for same class of consumers on the basis of Rural / Urban administrative unit of the licensee.
The Commission may differentiate the tariff/ charges on the basis of - need to reduce tariff shock to the consumer as decided by the Commission in case of merging of the areas of supplies of more than one licensees under one licensee as per statutory requirement and Commission may from time to time direct the licensees to submit the relevant information.

Other Factors in which Supply is depend:
Differentiation of tariff on the basis of nature of supply, Differentiation on the basis of Consumption of Electricity, Differentiation on the basis of Demand.</td></tr>
<tr><td>16.</td><td>Treatment of Power Factor</td><td>

The Commission may direct certain class of consumers to maintain power factor at a stipulated level, as may be decided by the Commission, and allow incentive or impose penalty through rebate or surcharge for maintaining power factor above or below the stipulated level, as the case may be.
In addition to existing rebate / surcharge on power factor applicable on the certain classes of consumers, the rebate and surcharge on power factor shall also become applicable for all HT / EHT consumers and the following LT consumers at a rate as will be stipulated in the tariff order from a date as given below or after that date as may be stipulated in the tariff order for the category of consumers as to be stipulated in the tariff order.

<table>
<tr><th>Category of Consumers</th><th>Date of introduction of rebate / surcharge on Power Factor</th></tr>
<tr><td>HT & EHT</td><td>Within 1st April, 2011</td></tr>
<tr><td>LT Industrial</td><td>As on 1st April, 2013</td></tr>
<tr><td>LT Public Water Works</td><td>As on 1st April, 2013</td></tr>
<tr><td>LT Commercial having Contract Demand 10 KVA and above</td><td>As on 1st April, 2014</td></tr>
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All distribution licensees shall install power factor controllers for all LT consumers with contract demand of 10 KVA and above except LT industrial and LT public water works consumers and LT commercial consumers having contract demand of 10 KVA and above within 31st March, 2015 in a phased manner.
</td></tr>
<tr><td>17.</td><td>Treatment of Load Factor</td><td>The Commission may direct certain class of consumers to maintain load factor at a stipulated level, as may be decided by the Commission, and allow incentive or impose penalty through rebate or surcharge for maintaining load factor above or below the stipulated level, as the case may be.</td></tr>
<tr><td>18.</td><td>Regulatory Asset</td><td>Where the Commission has allowed creation of a regulatory asset, it shall reasonably stipulate the period of amortization and the specific roadmap of release of such regulatory asset along with the date by which such regulatory asset will be</td></tr>
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		extinguished, which shall not be more than three (3) years. Any regulatory assets created through tariff order for the year 2014-15 and onwards or any related APR / FPPCA order for such year shall be released within next three years of the relevant order.
19.	**Metering Based Tariff Design and Related Factors**	• The Commission may make TOD or pre-paid metering mandatory within certain time frame for any class of consumers as may be specified by the Commission in due course besides those already covered in these regulations. • No electricity charges shall be recovered from any consumer whose supply has not been made through meter after such date as may be notified by the Commission, subject to other dispensation as provided in other regulations of the Commission on specific grounds. • The consumer opting for pre-paid meter shall not be required to furnish any security deposit for the energy charge. • No meter rent shall be applicable if the cost of the meter is given by the consumer.
20.	**Reactive Energy Charge**	Commission may decide reactive energy charge from time to time through a separate order which will be applicable on all the entity of the State grid.
21.	**Fixed Charges/Demand Charges**	• Fixed charges, which will be applicable for LV and MV consumers having contract load below 50 KVA and quantified in terms of per KVA/month, shall be based on contract demand. • Notwithstanding anything to the contrary contained elsewhere in these Regulations, if two classes of consumers having two separate tariff rates are merged into one class of consumers having a new separate tariff rate through any tariff order, the fixed charge for this new rate shall be within 120% of the higher fixed charge of those two merged tariff rates. • Demand charge will be applicable to all HV and EHV consumers and also to those LV and MV consumers who have contract load of 50 KVA or above and at a rate as stipulated in the respective tariff order. • The demand charge shall be based on the data available from the recording in consumer's meter of average supply in terms of demand for every 15 minutes time block as is applicable under ABT mechanism. • Demand Charge shall be levied on the basis of maximum demand, recorded during the month or 85% of the contract demand whichever is higher. • If in a 15 minutes time block a consumer draws power more than the restricted drawal, if any, imposed by a licensee then the consumer will pay additional energy charge at a rate twice the applicable rate for that consumer at that time block. • No consumer shall be made to pay both demand charge and fixed charge simultaneously. • For any class of the consumers for whom minimum charge is stipulated in the tariff order, such minimum charge shall be applicable when the sum of the energy charge and fixed charge including rebate/surcharge (except rebate for timely payment) is less than the minimum charge for that billing period. • The rates of the applicable delayed payment surcharge arising from non-payment of electricity charges as also other charges by a consumer shall be 1.00% per month of delay or pro-rated for part thereof upto 3 months of delay, at 1.50% per month of delay or pro-rated for part thereof for any period beyond 3 months of delay but upto the next 3 months and at 2.00% per month of delay or pro-rated for part thereof beyond first 6 months of delay. • In case the contract demand in KW or KVA is not available, it can be converted from KVA considering 0.85 as power factor or vise-versa whenever it is necessary for determination of any issue in relation to tariff or category of consumers.
22.	**Capital Cost**	• The Commission shall be guided by the following principles to compute the cost and return. • Where the actual cost incurred on a capital expenditure project exceeds or is likely to exceed the estimate of original project cost, then the licensee or generating company shall apply to the Commission for approval for variation in the estimate of original project cost with supporting documents and proper justification of variation of cost. • Investments made prior to the notification of these regulations by the generating company and licensees shall be accepted on the basis of audited accounts, subject to prudence check. • The capital cost may include capitalized initial spares as up to 1.5% of original capital cost in case of Hydro-Generating Stations.

		• Restructuring of capital cost in terms of relative share of equity and loan shall be permitted during the tariff period provided such restructuring is cost effective. Any savings in costs on account of subsequent restructuring shall be dealt with in accordance with these regulations.
23.	**Additional Capitalization**	• Approval of the Commission under this regulation shall not be required where the aggregate expenditure on such assets in any financial year does not exceed 1% of total business turnover of that financial year subject to a maximum of Rupees Ten (10) crores. • The licensee shall submit the list of capital assets that are to be capitalized in terms of these regulations showing the capital value of the capitalized assets along with the operational status of full commissioning or quantifiable partial commissioning of those assets clearly.
24.	**Revenue / charges during trial stage (prior to COD)**	• The actual cost incurred including fuel cost during trial up to COD shall be treated as Capital Cost. • The actual revenue earned from sale of power (infirm power) shall be treated as reduction in capital cost. • For sale of infirm power Commission shall determine tariff or price of such infirm power on application from owner of the generating station.
25.	**Debt-Equity Ratio**	• For the purpose of determination of tariff on new capital expenditure including expansion of existing business, debt-equity ratio as on the date of commercial operation of generating station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these regulations shall be 70:30. Where equity employed is more than 30%, the amount of equity shall be limited to 30% and the balance amount shall be considered as normative loan capital. • The rate of interest on normative loan capital shall not be more than the short term prime lending rate of State Bank of India as on the 1st April of the year preceding the year for which tariff is proposed to be determined. • Any approved change in the original cost of a project / fixed asset after the date of commissioning shall be assumed to have been financed at the normative debt equity ratio.
26.	**Loan repayment schedule**	• The repayment schedule for the loan capital shall be in accordance with the loan agreements. In case where low cost loan is found to be cheaper than the existing loan after taking into account all the contents of loan agreements, then the licensee / generating company shall resort to replacing the existing loan through swapping by new loan. • During the tenure of loan repayment, where the actual amount of loan repayment in any financial year is less than the amount of depreciation allowable under these regulations, then an interest credit at the rate of weighted average cost of debt for the corresponding year shall be provided on such excess depreciation charged.
27.	**Return on Equity (ROE)**	• When a run-of-river hydro-generating station with pondage operates to support the peak demand in a day, the Commission will allow an additional return on equity to such a hydro-generating station, the additionality being 1% more than what has been provided for in this behalf by the CERC for any hydro-generating station. • Any of the hydro-generating stations, excluding pumped storage hydro generating station, with allocated installed capacity of 100 MW or above under the purview of the Commission shall be entitled to additional return on equity of 4% more than what has been provided for in this behalf by the CERC for hydro-generating stations for supply of electricity to distribution licensees. • While computing return on equity for a generating company or a licensee, those equity capital against the tangible assets only shall be considered if such assets are duly recorded in the asset register and have been fully commissioned and are under operation.
28.	**Depreciation**	• The value base for the purpose of depreciation shall be historical cost of the asset. • The residual value of assets shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the original cost of the Asset. • Freehold land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost. • In case any asset remains inoperative for more than three months continuously in a financial year, the depreciation related to such an asset shall be reduced on proportionate basis for the period it remains inoperative and such reduction shall

		be adjusted in due course and it will be adjusted with the ARR during determination of ARR or after APR, as the case may be.
29.	**Advance Against Depreciation**	• In addition to depreciation, the licensee shall be entitled to Advance Against Depreciation, which is the difference between the actual amount of loan repayment, subject to a ceiling specified in these Regulations and allowed depreciation as per schedule for such financial year along with reflection of accumulated depreciation in the book of accounts. • The licensee shall be permitted to recover amortization of intangible assets up to such level as may be approved by the Commission.
30.	**Interest on and charges relating to loan capital**	• The generating company or the licensee shall be allowed to recover the interest expenses on all borrowing towards capital works as per terms of such borrowing including the repayment schedule. • The interest on borrowings and any other charges thereon for specific capital works-in-progress will not be allowed in the revenue accounts and those need to be charged to the cost of such capital works in progress. • If the Commission is satisfied that the time over run of any project was due to force majeure event including natural calamities or geological surprise in case of hydro generating stations or any reasons beyond the control of the licensee or generating company, the Commission, at its discretion, may allow full or part of such interest to be capitalized.
31.	**Interest on Working Capital**	• The interest on working capital requirement of a generating company or a licensee shall be assessed on normative basis @ 18% on a base amount derived by summation of annual fixed charge, fuel cost and power purchase cost reduced by the elements of the ARR determined for the generating company or a licensee, as the case may be. • Where Monthly Fuel Cost Adjustment or Monthly Variable Cost Adjustment exists, then for interest on working capital requirement the above normative basis shall be 10% instead of 18% on the said base amount. • Rate of interest on working capital so assessed on normative basis, shall be equal to the short term prime lending rate of State Bank of India as on the 1st April of the year preceding the year for which tariff is proposed to be determined.
32.	**Operation and Maintenance Expenses**	Operation and Maintenance or O&M expenses includes the following: ➢ Repair & Maintenance (R&M) Expenses; ➢ Administrative and General Expenses subject to condition that for generating station actual expenses may be reduced by Rent, and lease charges where it is required; ➢ Any cost of outsourcing for generating stations
33.	**Bad and Doubtful Debt**	The Commission may allow such amount of bad debts as actually had been written off in the latest available audited accounts of the generating companies / licensees subject to a ceiling of 0.5% of the annual gross sale value of power at the end of the current year.
34.	**Reserve for Unforeseen Exigencies**	The generating companies and the licensees may provide and maintain a reserve for dealing with unforeseen exigencies up to 0.25% of the value of gross fixed assets at the beginning of the year annually and the provision made for the year will be allowed in their Aggregate Revenue Requirement subject to an overall ceiling of 5% of the value of gross fixed assets at the beginning of the year.
35.	**Foreign Exchange Rate Variation**	• Extra rupee liability towards interest payment and loan repayment corresponding to the actual foreign debt in the relevant year shall be permissible provided the entire rupee liability directly arises out of foreign exchange rate variation and is not attributable to the generating company / licensee or their suppliers or contractors. • Generating companies / licencees shall be allowed reasonable cost of hedging subject to a ceiling of 1 % of the foreign exchange component to take care of foreign exchange rate variation if it is found beneficial to consumers.
36.	**Income Tax**	• Under recovery or over recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income tax assessment under the Income Tax as certified by the Statutory Auditors. • In case any tax paid against income/ services under other sources or non-tariff income which are considered in ARR, such taxes will also be passed through tariff.

37.	**Savings in interest during construction**	• Incentive for completion of hydro-generating stations ahead of schedule - In case of commissioning of a hydro-generating station or part thereof ahead of schedule, the Generating Companies or licensees shall become eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on commissioning ahead of the schedule. • The incentive shall be recovered through tariff in twelve equal monthly installments during the first year of operation of the Generating station. In case of delay in commissioning, interest during construction for the period of delay shall not be allowed to be capitalized for determination of tariff, unless the delay is on account of natural calamities or geological surprises. • Any benefit out of swapping of foreign debt and equity during construction period of a project shall be used totally to reduce the project cost.
38.	**Sharing of benefit from selling of power to those other than licensee or any consumer**	Income from selling of power to those other than licensee or any consumer reduced by expenses relating to such activity shall be shared equally between the consumers and the power selling licensee as also between power purchasing licensee and generating company or power selling licensee, as the case may be, within 2015-16 to protect the consumer's interest and encourage optimum investments.
39.	**Sharing of benefit from carbon trading**	Any income by licensee or generating company from carbon trading or greenhouse emissions reduction programme or environmental pollution reduction programme, reduced by expenses relating to such activity, shall be used partially for the benefit of the consumer and licensee purchasing power from them by utilizing 30% of such income to reduce the ARR. However, in case of loss from such trading or programme, such loss shall not be allowed to be adjusted against aggregate revenue requirement.
40.	**Incentive**	The expenses avoided arising out on energy saving by licensee from demand side management including energy conservation initiatives at demand side programme as approved by the Commission, reduced by expenses relating to such activity, shall be considered as incentive to the licensee in the first year after total completion of such project. From second year onward such incentive will be reduced by 10% for each year till such incentive become nil.
41.	**Income from Unscheduled Interchange (UT) Charges**	For a generating station of a generating company net UI charges receivable on actual basis for any previous year or base year or ensuing year shall be considered as income for the period of the previous year or the base year or the ensuing year concerned. The generating company shall be allowed to retain the net receivable UI charges for any previous year or a base year or an ensuing year. However for any previous year or a base year or an ensuing year for a generating company if there is net payable then that shall not be considered as expenses for determination of ARR.
42.	**Development Fund**	• For the assets created through such "development fund" no return on equity shall be allowed but interest at a rate 2% less than the rate of interest allowed on working capital shall be allowed and the same shall be deposited in the development fund for reinvestment. • The depreciation on such assets created through such Development Fund shall be deposited in the Development Fund for reinvestment.
43.	**Income from Other Sources / Non-tariff income**	Income from other sources or non-tariff income shall be allocated to that part of electricity business of a licensee or generating company under which such income has taken place.
44.	**Research and Development Expenditure**	• The Commission may allow a licensee or a generating company an expenditure on account of Research & Development upto 0.10% of the ARR of the preceding year for the year for which ARR is determined. • The asset created through such expenditure shall be considered as an asset created through consumer contribution and thus will not be entitled to Return on Equity.
45.	**Insurance Premium**	Insurance Premium paid by a generating company or licensee after selection of the insurance company through a transparent process shall be adopted by the Commission subject to prudence check for items covered under such insurance only.
46.	**Tariff determination**	• Tariff in respect of a generating station under these regulations shall be determined stage-wise, unit-wise or for the whole generating station. • In relation to multi-purpose project of hydro-generating stations, with irrigation, flood control and power components, the capital cost chargeable to the power component of the project inclusive of statutory obligations for the power components of such project, only shall be considered for determination of tariff.

47.	**Unscheduled Interchange (UI) Charges**	UI for a generating station or injecting entity shall be equal to its actual injection minus its scheduled injection. UI for a beneficiary or drawal entity shall be equal to its total actual drawal minus its total scheduled drawal. Accounting of UI in case of pumped storage hydroelectric generating stations both in generating and pumping mode shall be on net basis.
48.	**Demonstration of Declared Capacity**	• The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days capacity charges. For the second miss-declaration the penalty shall be equivalent to capacity charges for four days and for subsequent miss-declarations, the penalty shall be multiplied in the geometrical progression till the recoverable monthly capacity charge becomes zero in that month. • When there is no demonstration but at frequency below 50Hz, if there is failure to inject by the generating station at least to the level of 95% of the schedule of injection for any 15 minutes time block, the actual availability as well as notional availability will be reduced to the actual injection for the concerned 15 minutes time block in order to determine the amount for recovery as capacity charge and that failure shall not be treated as a mis-declaration.
49.	**Deemed Generation for Hydro-Generating Station**	• In case of reduced generation of a hydro-generating station due to the reasons not attributable to the generating company or on account of non-availability of transmission / wheeling capacity or on receipt of backing down instructions from the concerned SLDC resulting in spillage of water, the energy charges on account of such spillage shall be payable to the generating company. • Energy charges on the above account shall not be admissible if the energy generated by the hydro-generating station during the year is equal to or more than the design energy.
50.	**Metering & Accounting**	Metering arrangements, including installation, testing and maintenance of meters for entities connected to the state transmission system and for such connection with state transmission system only, shall be the responsibility of the STU on payment basis.
51.	**Rebate**	• For payment of bills of the generating company and the transmission licensee through letter of credit on presentation, a rebate of 2% shall be allowed. • Where payments are made other than through letter of credit within a period of one month of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.
52.	**Late payment surcharge**	In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary beyond a period of 60 days from the date of billing a late payment surcharge at the rate of 1.25% per month on the billed amount or prorated for part thereof shall be levied by the generating company or the transmission licensee for the defaulted period reckoning from the due date.

JOINT ELECTRICITY REGULATORY COMMISSION
FOR THE STATE OF GOA AND UNION TERRITORIES

(Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018, Dated: 10.08.2018

Sl. No.	Description	Summary
1.	**Control Period**	These Regulations shall come into force from the date of their publication in the Official Gazette and shall remain in force till March 31, 2022, unless otherwise reviewed/extended.
2.	**Applicability**	1. The Commission shall determine tariff within the Multi Year Tariff framework, for all matters for which the Commission has jurisdiction under the Act, including in the following cases: • Supply of electricity by a Generating Company to a Distribution Licensee; • Intra-State transmission of electricity; • Intra-State wheeling of electricity; • Retail supply of electricity. 2. The wheeling charges shall be based on the Aggregate Revenue Requirement determined for the Distribution Wires Business. 3. The Commission shall also determine Cross-Subsidy Surcharge in addition to the charges for wheeling in accordance with the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time. 4. Notwithstanding anything contained in these Regulations, the Commission shall adopt the tariff, if such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government
3.	**Guiding Principles for MYT Framework**	The Multi Year Tariff framework for determination of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges for Generating Company shall include the Business Plan for the Licensee, A detailed Multi Year tariff application comprising of the year-wise forecast of ARR, Annual review of performance, Annual determination of tariff for the Generating Company, Truing up of previous Year/(s) expenses and revenue by the Commission, mechanism for pass-through of approved gains or losses on account of uncontrollable/controllable factors as specified by the Commission in these Regulations
4.	**Values for Base Year**	• The values for the Base Year of the Control Period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and other factors considered relevant by the Commission. • The Commission may revisit the performance targets for the Control Period during the Mid-term Review, carried out in accordance with these Regulations.
5.	**Capital Investment Plan**	The Capital Investment Plan to be submitted as part of Business Plan shall include details of New Projects planned during the Control Period, purpose of investment, capital structure, implementation schedule, quarter-wise capital expenditure and capitalisation schedule, financing plan, cost-benefit analysis, improvement in operational efficiency envisaged in the Control Period owing to proposed investment and such details for on going projects that will spill over into the Control Period under review along with justification.
6.	**Sales Forecast**	The forecast shall be based on the actual demand of electricity in previous Years, anticipated growth in demand in coming Years, expected growth in the number of Consumers, changes in the pattern of consumption, target distribution losses and other relevant factors.
7.	**Power Procurement Plan**	The forecast or estimate shall be prepared using forecasting techniques based on past data, sales forecast, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors and other relevant factors.

8.	**Multi Year Tariff Application**	• The Applicant shall submit the forecast of Aggregate Revenue Requirement for each year of the Control Period and tariff proposal for the first Year of the Control Period, in a manner as provided in these Regulations and in formats specified by the Commission from time to time. The application shall be accompanied by such fee payable, as may be specified by the Commission in the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009, as amended from time to time, by November 30, 2018. • Based on the forecast of Aggregate Revenue Requirement for the first Year of the Control Period and Expected • Revenue from Tariff and Charges, the Generating Company, Transmission Licensee and Distribution Licensee for the Distribution Wires Business and Retail Supply Business, shall propose the tariff for the first Year of Control Period.
9.	**Annual Performance Review, Truing-up and tariff determination during the Control Period**	1. The Generating Company shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations. 2. The Generating Company shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time. 3. Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year. 4. in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which true up has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points.
10.	**Mechanism for pass through of gains or losses on account of uncontrollable/controllable factors**	Mechanism for pass through of gains or losses on account of uncontrollable/ controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.
11.	**Determination of Tariff**	1. Notwithstanding anything contained in these Regulations, the Commission shall at all times have the authority, either on suo motu basis or on a Petition filed by the Generating Company, Transmission Licensee or Distribution Licensee, to determine the tariff, including terms and conditions thereof. 2. Determination of Tariff for an existing Generation Station: • Where the Commission has, at any time prior to the date of effectiveness of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating unit/station, the tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission. • The supply of electricity shall be allowed to continue under the present agreement or arrangement, as the case may be, until such time as the Commission approves of such power purchase agreement and shall be discontinued forthwith if the Commission rejects, for reasons recorded in writing, such power purchase agreement or arrangement. 3. Determination of Tariff for a new Generating Station: • The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating unit/station shall be in accordance with tariff as per power purchase agreement approved by the Commission.

12.	**Adherence to Tariff Order**	• No tariff or part of any tariff may ordinarily be amended more frequently than once in a Year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified. • If any Generating Company recovers a price or charge exceeding the tariff determined by the Commission, the excess amount shall be payable to the person who has paid such price or charge, along with interest equivalent to the Bank Rate prevailing during the relevant period, without prejudice to any other liability to which such Generating Company or Licensee may be subject. • Such interest payable to any party shall not be allowed to be recovered through the Aggregate Revenue Requirement of the Licensee.
13.	**Annual determination of tariff**	The Commission shall determine the tariff of a Generating Company, covered under a Multi Year Tariff framework for each Year during the Control Period, in accordance with timelines specified in these Regulations.
14.	**Subsidy Mechanism**	If the Government requires to grant any subsidy to any Consumer or class of Consumers in the tariff determined by the Commission, the Government shall, notwithstanding any direction which may be given in the Act, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as a condition for the Licensee or any other person concerned to implement the subsidy provided for by the Government, in the manner specified in these Regulations.
15.	**Financial Principles for a Generating Company**	• The Capital Cost for a Generating Company shall be determined by the Commission, guided by the relevant provisions of the prevalent CERC Tariff Regulations governing generation of electricity, subject to prudence check. The Capital Cost so determined shall form the basis of determination of tariff for Existing Projects and New Projects. • The norms for Additional Capitalisation and Renovation and Modernisation for a Generating Company shall be in accordance with the prevalent CERC Tariff Regulations, governing generation of electricity.
16.	**Debt-Equity Ratio**	For new projects - 70:30 • If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan. • In case of the generating station including communication system declared under commercial operation prior to 1.4.2019, debt: equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2019 shall be considered.
17.	**Capital Cost**	❖ The capital cost in case of existing or new hydro generating station shall also include: • cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and • cost of the developer's 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) project in the affected area. ❖ The following shall be excluded from the capital cost of the existing and new projects: • In case of hydro generating stations, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State Government by following a transparent process. • Any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment.
18.	**Return on Equity**	• Return on equity shall be computed at the base rate of 15.50% for run-off river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-off river generating station with pondage. • Return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to

		Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station. • In case of a new project, the rate of return on equity shall be reduced by 1.00% for such period as may be decided by the Commission.
19.	**Tax on Return on Equity**	The base rate of return on equity as allowed by the Commission shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company.
20.	**Interest on loan capital**	1. The normative loan outstanding as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2019 from the gross normative loan. 2. The repayment for each of the year of the tariff period 2019-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset. 3. 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 depreciation allowed for the year or part of the year. 4. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized. 5. The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.
21.	**Depreciation**	• The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis. • In case of hydro generating stations, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government for development of the generating station. • The capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff. • Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In case of the existing projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets. • In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.

22.	**Interest on Working Capital**	1. For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:
		  • Receivables equivalent to 45 days of annual fixed cost;
		  • Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
		  • Operation and maintenance expenses, including security expenses for one month.
		2. Interest on working capital shall be payable on normative basis notwithstanding that the generating company or the transmission licensee has not taken loan for working capital from any outside agency.

<table>
<tr><td>23.</td><td>Rebate</td><td colspan="3">1. For payment of bills of the generating company through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1.50% shall be allowed.
2. Where payments are made on any day after 5 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.</td></tr>
<tr><td>24.</td><td>Late payment surcharge</td><td colspan="3">In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term customers as the case may be, beyond a period of 45 days from the date of presentation of bills, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company or the transmission licensee, as the case may be.</td></tr>
<tr><td>25.</td><td>Normative Annual Plant Availability Factor (NAPAF) (For Hydro Stations)</td><td colspan="3">1. Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8%, and where plant availability is not affected by silt: 90%.
2. In case of storage and pondage type plants with head variation between full reservoir level and minimum draw down level is more than 8% and when plant availability is not affected by silt, the month wise peaking capability as provided by the project authorities in the DPR (approved by CEA or the State Government) shall form basis of fixation of NAPAF.
3. Pondage type plants where plant availability is significantly affected by silt: 85%.
4. A further allowance of 5% may be allowed for difficulties in North East Region.
5. In case of pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours.</td></tr>
<tr><td rowspan="10">26.</td><td rowspan="10">Auxiliary Energy Consumption (AEC)</td><td rowspan="2">Type of Station</td><td colspan="2">AEC</td></tr>
<tr><td>Installed Capacity above 200 MW</td><td>Installed Capacity upto 200 MW</td></tr>
<tr><td colspan="3">Surface</td></tr>
<tr><td>Rotating Excitation</td><td>Rotating Excitation</td><td>Rotating Excitation</td></tr>
<tr><td>Static</td><td>Static</td><td>Static</td></tr>
<tr><td colspan="3">Underground</td></tr>
<tr><td>Rotating Excitation</td><td>Rotating Excitation</td><td>Rotating Excitation</td></tr>
<tr><td>Static</td><td>Static</td><td>Static</td></tr>
<tr><td colspan="3">1. For recovery of Annual Fixed Cost, NATAF shall be as under:
• AC system: 98.00%;
• HVDC bi-pole links 95.00% and HVDC back-to-back stations: 95.00%.
2. For Incentive, NATAF shall be as under:
• AC system: 98.50%;
• HVDC bi-pole links and HVDC back-to-back Stations: 97.50%.</td></tr>
</table>

JOINT ELECTRICITY REGULATORY COMMISSION

FOR MANIPUR & MIZORAM

(Multi Year Tariff) Regulations, 2014, Dated: 09.06.2014 with amendment dated: 27.03.2019

Sl. No.	Description	Summary
1.	**Control Period**	N. A.
2.	**Applicability**	• These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from April 1, 2015 and onwards. • These Regulations shall be applicable to all existing and future Generating Companies, Transmission Licensees and Distribution Licensees and their successors, if any.
3.	**Multi-Year Tariff framework**	The Multi-Year Tariff framework shall be based on the following elements - A detailed Business Plan, the forecast of Aggregate Revenue Requirement (ARR) for the entire Control Period, Truing up of previous year's expenses, mechanism for pass-through of approved gains or losses on account of uncontrollable/controllable factors, Annual determination of tariff for Generating Company for determination of Aggregate Revenue Requirement and expected revenue from tariff and charges for Generating.
4.	**Accounting statement and filing under MYT**	• The filing under MYT by the Generating Company shall be done as per the timelines specified in these Regulations and in compliance with the principles for determination of ARR as specified in these Regulations, in such form as may be prescribed by the Commission from time to time. • The Generating Company for the Distribution Wires Business and Retail Supply Business, shall file separate audited accounting statements with the application for determination of tariff and truing up. • In case of a vertically integrated business, the Utility shall be required to file separate applications for determination of ARR and tariff for Generation Business.
5.	**Business Plan**	• The Generating Company for Distribution Wires Business and Retail Supply Business, shall file a Business Plan for the first Control Period of three (3) financial years from 1st April 2015 to 31st March 2018 and for every block of five years thereafter, which shall comprise but not be limited to detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets, in accordance with guidelines in these Regulations as amended from time to time. • A mid-term review of the Business Plan/Petition may be sought by the Generating Company through an application filed three (3) months prior to the specified date of filing of Petition for truing up for the first year of the Control Period and tariff determination for the third year of the Control Period. • The capital investment plan shall show separately, on-going projects that will spill over into the Control Period, and new projects (along with justification) that will commence in the Control Period but may be completed within or beyond the Control Period.
6.	**Multi-Year Tariff Application**	• The applicant shall submit the forecast of Aggregate Revenue Requirement for the entire Control Period and tariff proposal for the first year of the Control Period, in such manner, and within such time limit as provided in these

		Regulations accompanied by such fee payable, as may be specified under Joint Electricity Regulatory Commission for Manipur and Mizoram (Fees Fines & Charges) Regulations, 2010, as amended from time to time. • The applicant shall provide full details supporting the forecast, including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, contractual arrangements and/or secondary research, to enable the Commission to assess the reasonableness of the forecast.
7.	**Specific trajectory for certain variables**	• While approving the Business Plan/MYT Petition, the Commission shall stipulate a trajectory for the variables, which shall include, but not be limited to Operation & Maintenance expenses, target plant load factor and distribution losses: • The Generating Company may seek a review of the trajectory at the time of mid-term review of Business Plan.
8.	**Truing Up**	• The Generating Company shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations. • In respect of the expenses incurred by the Generating Company during the year for controllable and uncontrollable parameters, the Commission shall carry out a detailed review of performance of an applicant vis-a-vis the approved forecast as part of the truing up.
9.	**Mechanism for pass through of gains or losses on account of uncontrollable factors**	The approved aggregate gain or loss to the Generating Company on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company over such period as may be specified in the Order of the Commission passed under these Regulations.
10.	**Mechanism for sharing of gains or losses on account of controllable factors**	1. The approved aggregate gain to the Generating Company on account of controllable factors shall be dealt with in the following manner: • One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission; • The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company 2. The approved aggregate loss to the Generating Company or on account of controllable factors shall be dealt with in the following manner: • One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission and • The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company.
11.	**Determination of Tariff**	The proceedings to be held by the Commission for determination of tariff shall be in accordance with the Joint Electricity Regulatory Commission for the States of Manipur & Mizoram (Conduct of Business) Regulations, 2010, as amended from time to time.
12.	**Determination of Generation Tariff**	**1. Existing generating station:** • Where the Commission has, at any time prior to the date of effectiveness of these Regulations, approved a power purchase agreement or arrangement between a Generating Company and a Distribution Licensee or has adopted the tariff contained therein for supply of electricity from an existing generating Unit/Station, the

		tariff for supply of electricity by the Generating Company to the Distribution Licensee shall be in accordance with tariff mentioned in such power purchase agreement or arrangement for such period as may be so approved or adopted by the Commission. • Where, as on the date of effectiveness of these Regulations, the power purchase agreement or arrangement between a Generating Company and a Distribution Licensee for supply of electricity from an existing generating station has not been approved by the Commission or the tariff contained therein has not been adopted by the Commission or where there is no power purchase agreement or arrangement, the supply of electricity by such Generating Company to such Distribution Licensee after the date of effectiveness of these Regulations shall be in accordance with a power purchase agreement approved by the Commission. **2. New generating stations:** The tariff for the supply of electricity by a Generating Company to a Distribution Licensee from a new generating Unit/Station shall be in accordance with tariff as per power purchase agreement approved by the Commission. **3. Own generating stations:** • Where the Distribution Licensee also undertakes the business of generation of electricity, the transfer price at which electricity is supplied by the Generation Business of the Distribution Licensee to his Retail Supply Business shall be determined by the Commission. • The Distribution Licensee shall maintain separate records for the Generation Business and shall maintain an Allocation Statement so as to enable the Commission to clearly identify the direct and indirect costs relating to such business and return on equity accruing to such business.
13.	**Adherence to Tariff Order**	• No tariff or part of any tariff may be ordinarily amended, more frequently than once in any financial year, except FPPPA based on FPPPA formulae approved by the Commission from time to time. • The Commission, may, after satisfying itself for reasons to be recorded in writing, allow revision of tariff.
14.	**Subsidy Mechanism**	With effect from the first day of April 2015, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the State Government shall, notwithstanding any direction which may be given under Section 108 of the Act, pay in advance the amount to compensate the Distribution Licensee/person affected by the grant of subsidy, as acondition for the Licensee or any other person concerned to implement the subsidy provided for by the State Government, in the manner specified in these Regulation.
15.	**Debt-equity Ratio**	• For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation in case of a new generating station after 1.4.2015 shall be 70:30. Where equity employed is more than 30%, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as loan. Where actual equity employed is less than 30%, the actual equity shall be considered. • In case of the Generating Company if any fixed asset is capitalised on account of capital expenditure project prior to April 1, 2015, debt-equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2015 shall be considered.

		• If the Generating Company formed as a result of a transfer scheme, the date of the transfer scheme shall be the effective date for the determination of equity capital.
16.	**Capital Cost and capital structure**	• The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. • The approved Capital Cost shall be considered for determination of tariff and if sufficient justification is provided for any escalation in the Capital Cost, the same may be considered by the Commission subject to the prudence check. • Impact of revaluation of assets shall be permitted during the Control Period, provided it does not result in increase in tariff of Generating Company. Any benefit from such revaluation shall be passed on to persons sharing the capacity charge in case of a Generating Company at the time of annual truing up.
17.	**Renovation & Modernisation**	The Generating Company, for meeting the expenditure on Renovation and Modernization for the purpose of extension of life beyond the useful life of the generating station or a unit thereof, shall file an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost- benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost, record of consultation with beneficiaries and any other information considered to be relevant by the Generating Company
18.	**Additional capitalisation**	• The capital expenditure, actually incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to the prudence check. • The capital expenditure, actually incurred or projected to be incurred, within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to the prudence check. • Impact of additional capitalization on tariff, as the case may be, shall be considered during Truing Up of each financial year of the Control Period.
19.	**Return on Equity**	• Return on equity shall be computed on the paid up equity capital determined in accordance with these Regulations relatable to the Generating Company and shall be allowed at the rate of 15.5% for Generating Companies, including hydro generation stations above 25 MW. • The premium raised by the Generating Company while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure. • Equity invested in foreign currency shall be converted to rupee currency based on the exchange rate prevailing on the date(s) it is subscribed.
20.	**Interest and finance charges on loan capital**	• The normative loan outstanding as on April 1, 2015, shall be worked out by deducting the cumulative repayment as

		admitted by the Commission up to March 31, 2015 from the gross normative loan. • The repayment for the year during the tariff period from FY 2015-16 to FY2017-18 and every block of five years thereafter shall be deemed to be equal to the depreciation allowed for that year. • 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. • The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest. • The Generating Company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Company in the ratio of 2:1.
21.	**Depreciation**	• The value base for the purpose of depreciation shall be the Capital Cost of the asset admitted by the Commission. • In the case of hydro generating station, the salvage value shall be as provided in the agreement, if any, signed by the developers with the State Government. • The land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset. • In case of projected commercial operation of the asset for part of the year, depreciation shall be calculated based on the average of opening and closing value of asset, approved by the Commission
22.	**Interest on Working Capital**	• In hydro power generating stations - Interest on working capital shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the financial year in which the Petition is filed. • In case of own generating stations, no amount shall be allowed towards receivables, to the extent of supply of power by the Generation Business to the Retail Supply Business, in the computation of working capital in accordance with these Regulations.
23.	**Tax on income**	• The Commission in its MYT Order shall provisionally approve Income Tax payable for each year of the Control Period, if any, based on the actual income tax paid as per latest Audited Accounts available for the applicant, subject to prudence check. • Under-recovery or over-recovery of any amount from the beneficiaries or the consumers on account of such tax having been passed on to them shall be adjusted every year on the basis of income-tax assessment under the Income- Tax Act, 1961, as certified by the statutory auditors. The Generating Company, or the Transmission Licensee or Distribution Licensee, as the case may be, may include this variation in its truing up Petition.
24.	**Rebate**	• For payment of bills of generation tariff through Letter of Credit or otherwise, within 7 days of presentation of bills, by the Generating Company a rebate of 2% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed. • Where payments are made subsequently through opening of Letter of Credit or otherwise, but within a period of one month of presentation of bills by the Generating Company a

		rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed or otherwise as per the rebate scheme offered by the Generating Company and approved by the Commission.
25.	**Delayed Payment Surcharge**	In case the payment of bills of generation tariff or transmission charges or wheeling charges by the beneficiary or beneficiaries is delayed beyond a period of 30 days from the date of billing, late payment surcharge at the rate of 1.25% per month on billed amount shall be levied for the period of delay by the Generating Company or the Transmission Licensee or the Distribution Licensee, as the case may be or otherwise as per the scheme mutually agreed by the interest party(s) and dully approved by the Commission.
26.	**Foreign Exchange Rate Variation**	• The Generating Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the generating station, in part or full, at the discretion of the Generating. • Every Generating Company shall recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises and extra rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt.
27.	**Recovery of cost of hedging Foreign Exchange Rate Variation**	Every Generating Company and the Transmission Licensee and the Distribution Licensee shall recover the cost of hedging and foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.
28.	**Non-Tariff Income**	The amount of Non-Tariff Income relating to the Generation Business as approved by the Commission shall be deducted from the Annual Fixed Cost in determining the Annual Fixed Charge of the Generation Company.
29.	**SLDC and Connectivity Charges**	SLDC and Connectivity charges are determined by the Commission and payable by the generating companies shall be considered as expenses; SLDC and Transmission charges paid for the energy sold outside the state shall not be considered as expenses for determining generation tariff.
30.	**Unscheduled Interchange (UI) charges (Intra State ABT scenario)**	Variation between actual generation or actual drawal and scheduled generation or scheduled drawal shall be accounted for through Unscheduled Interchange (UI) Charges. UI for a generating station shall be equal to its actual generation minus its scheduled generation. UI shall be worked out for each 15 minutes time block. Charges for all UI transactions shall be based on average frequency of the time block and rates as specified by CERC from time to time
31.	**Demonstration of declared capacity**	The quantum of penalty for the first miss-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration, the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations in the year, the penalty shall be multiplied in the geometrical progression.
32.	**Billing and Payment of Charges**	The Billing and Payment of Capacity Charges and Energy Charges for Hydro Generating Stations shall be done on a monthly basis
33.	**Reactive Energy Charges**	A generating station shall inject/absorb the reactive energy into the grid as per the directions of State Load Despatch Centre. Such injection/absorption may be undertaken on the basis of machine capability and in accordance with the directions issued by SLDC. Reactive energy exchange, only if made as per the directions of State Load Despatch Centre, for the applicable

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<tr><td></td><td></td><td colspan="2">duration (injection or absorption) shall be compensated to the generating station at the rate of 10.00 paise/kVArh for FY 2015-16 escalated at 0.5 paise/kVArh annually in subsequent years of the Control Period, unless otherwise revised by Commission.</td></tr>
<tr><td rowspan="6">34.</td><td rowspan="6">Norms of operation for Hydro Generating Stations</td><td colspan="2">Normative annual plant availability factor (NAPAF):</td></tr>
<tr><td>Particulars</td><td>Normative Annual Plant Availability Factor</td></tr>
<tr><td>Storage and Pondage type plants with head variation between Full Reservoir Level (FRL) and Minimum Draw Down Level (MDDL) of up to 8% and where plant availability is not affected by silt</td><td>90%</td></tr>
<tr><td>Storage and Pondage type plants with head variation between FRL and MDDL of more than 8%, where plant availability is not affected by silt</td><td>Plant-specific allowance tobe provided in NAPAF for reduction in MW output capability as reservoir level falls over the months</td></tr>
<tr><td>Pondage type plants where plant availability is significantly affected by silt</td><td>85%</td></tr>
<tr><td>Run-of-river type plants</td><td>To be determined plant-wise, based on 10-day design energy data, moderated by past experience where available/relevant</td></tr>
<tr><td>35.</td><td>Auxiliary energy consumption</td><td colspan="2">1. Surface hydro electric power generating stations with rotating exciters mounted on the generator shaft :0.7% of energy generated.
2. Surface hydro electric power generating stations with static excitation system: 1.0% of energy generated.
3. Underground hydro electric power generating stations with rotating exciters mounted on the generator shaft : 0.9% of energy generated.
4. Underground hydro electric power generating stations with static excitation system : 1.2% of energy generated.</td></tr>
<tr><td>36.</td><td>Operation and Maintenance Expenses for Hydro Generating Stations</td><td colspan="2">1. The Operation and Maintenance expenses including insurance shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2014, subject to prudence check by the Commission.
• The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2013 and shall be escalated at the escalation factor of 4 % to arrive at operation and maintenance expenses for FY 2015-16.
• The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above for FY 2015-16, at the escalation factor of 5.72% to arrive at permissible O&M expenses for each year of the Control Period.
2. For New Stations
• O&M expenses for the first year of operation will be 2% of the original project cost (excluding cost of rehabilitation and resettlement works).
• The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above, at the escalation factor of 5.72%.</td></tr>
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37.	**Incentive for completion of hydro electric power generating stations ahead of schedule**	The hydro generating station shall obtain the Commission's approval of project calendar, prior to its implementation for the purpose of claiming the incentive (s).
38.	**Sharing of CDM Benefits**	• 100% of the gross proceeds on account of CDM to be retained by the project developer in the first year after the date of commercial operation of the generating station or the transmission system, as the case may be; • 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 or the transmission licensee, as the case may be, and the beneficiaries.