UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamak Bhawan, Near I.S.B.T., P.O.-Majra, Dehradun-248171

Draft Notification

April…., 2014

……………. In exercise of powers conferred under section 181 read with Section 61(h) of the Electricity Act, 2003, and all other powers enabling it in this behalf, and after previous publication, the Uttarakhand Electricity Regulatory Commission hereby makes the following amendments in the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2013 (Principal Regulations) and subsequent amendment made in the same, namely:

1. **Short Title, Commencement and Interpretation**

   (1) These Regulations may be called the UERC (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) (Second Amendment) Regulations, 2014.

   (2) These Regulations shall come into force w.e.f. April 01, 2014.

2. **Amendment in Regulation 14(7) of the Principal Regulations:**

   Regulation 14(7) of the Principal Regulations shall be read as:

   "(7) The generic tariff being normative, any shortfall or gain due to performance or other reasons is to be borne/retained by the RE Based Generating Stations and Co-generating Stations and no true up of any parameter, including additional capitalisation for whatsoever reasons, shall be taken up during the validity of the tariff. The tariff for supply of electricity between the period of synchronization and the commissioning of the unit (Infirm Power) shall be equal to 50% of fixed cost component of levelised generic tariff for the useful life of the project. However, renewable energy technologies having fuel cost component, like biomass power projects and non-fossil fuel based cogeneration, shall also be entitled to get the fuel cost component of tariff for that year in addition to 50% of the levelised generic tariff.

   Provided that any additional expenditure of capital nature which becomes necessary on account of damages caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company), after prudence check by the Commission, shall be allowed as additional capitalisation and shall be reckoned after adjusting the proceeds from any insurance scheme, for all the generating stations covered under these Regulations. For additional capital expenditure admitted, as above, appropriate adjustment in tariff shall be allowed for balance life of that project based on the norms given in Chapters 4 & 5 of the Regulations..

Provided that additional capitalisation on this account would only be considered if adequate insurance cover has been maintained for the generating station.

Provided that where project specific tariff is being determined the revenue generated from infirm power shall be used to reduce the capital cost of the project after giving credit for cost of fuel consumed, wherever applicable."

3. Amendment in Regulation 26 of the Principal Regulations:

Sub-Regulation (1) of Regulation 26 of the Principal Regulations shall be read as:

*"**26. Applicability of Tariff***

The tariff shall be allowed to be recovered in the following manner:

a. Till the actual CUF is less than or equal to annual CUF of 40%, tariffs would be payable at the levelised generic rates specified in this Amended Regulations based on Annual CUF of 40%.

b. For generation beyond annual CUF of 40%, when entire fixed cost has been recovered, following will apply:

(a) For generation beyond annual CUF of 40% but upto annual CUF of 45%, tariff shall be the levelised generic rates equal to the O&M expenditure specified in this Amended Regulations.

(b) For generation beyond annual CUF of 45%, incentive shall be equal to the levelised generic rates specified in the Principal Regulations at CUF of 45%.

The annual CUF shall be calculated in accordance with the principles specified in Regulation 3(1)(e) of the Principal Regulations.

Provided that if the actual annual CUF exceeds 45% then the adjustment of the total amount paid for annual CUF above 40% and upto 45% at the levelised generic rates equal to the O&M expenditure as per Clause (a) above shall be made from the subsequent monthly bills, till such time the entire amount towards levelised O&M charges have been recovered after which no further adjustment shall be made.

Provided, further, that in no case the recovery of the amount paid towards levelised O&M charges shall exceed the incentive payable for generation beyond annual CUF of 45%."

4. Amendment in Regulation 28 of the Principal Regulations:

Normative CUF of 45% for SHPs as specified in the aforesaid regulation shall be replaced by normative CUF of 40%. Therefore, Regulation 28 of the Principal Regulations shall be read as:

"28. Small Hydro Generating Plant

The technology specific parameters for determination of generic tariffs for Small Hydro Generating Stations shall be as below:

Projects Commissioned on or after 01.04.2013

Project Size	***Capital Cost***	***O&M Expenses for year of commissioning***	***Capacity Utilization Factor***	***Auxiliary Consumption***
	(Rs. Lakh/MW)	***(Rs. Lakh/MW)***	***(%)***	***(%)***
Upto 5 MW	*785*	*26.43*	*40%*	*1%*
> 5 MW & upto 15 MW	*750*	*22.73*		
> 15 MW & upto 25 MW	*715*	*19.03*		

NOTE: For the purpose of this Regulation, normative CUF is based on Energy Sent Out at interconnection point and for tariff purposes energy net of free power to the home State, if any, committed by the developer shall be factored. For generic tariff determination, home State share has been taken as 18% from 16th year onwards."

By the order of the Commission

(Neeraj Sati)
Secretary