

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**  
**'Vidyut Niyamak Bhawan', Near I.S.B.T., P.O.-Majra, Dehradun-248171**

**Coram**

**Shri Subhash Kumar     Chairman**

**Statement of Reasons for Draft UERC (Tariff and Other Terms for Supply of Electricity  
from Renewable Energy Sources and non-fossil fuel based Co-generating Stations)  
Regulations, 2018**

**Statement of Reasons**

In exercise of the powers conferred under Section 181(2) (zd) & (zp) read with Section 61 of the Electricity Act 2003, (hereinafter "the Act") empowers the Commission to specify, by regulations, the terms and conditions for the determination of tariff in accordance with the provisions of the said section and the National Electricity Policy and Tariff Policy. In terms of clause (zd) of subsection (2) of section 181 of the Act, the Commission has been vested with the powers to make regulations on the terms and conditions of tariff under section 61. As per section 181(3) of the Act, the Commission is required to make previous publication before finalizing any regulation under the Act.

While analysing the aspects of determination of tariff and the previous Regulations, the Commission has consciously considered to balance the interests of the investors and the beneficiaries/consumers with due regard to the guiding principles as enunciated in Section 61 of the Act.

The Commission had specified the Uttarakhand Electricity Regulatory Commission (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2011. Thereafter, the Commission issued the Uttarakhand Electricity Regulatory Commission (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2013 dated 15.04.2013. The Control Period specified under these regulations is five years completed on 31.03.2018.

In accordance with the regulations issued from time to time as aforesaid, the Commission has been determining the generic tariff of the grid interactive power projects based on renewable energy sources through transparent and participative process. RE Regulations, 2013 were applicable from date of notification i.e. 15.04.2013 to 31.03.2018. Hence, the Commission has initiated the exercise of framing the RE Tariff Regulations for the next five years.

While analysing the aspects of determination of tariff and the previous Regulations, the Commission has consciously considered to balance the interests of the investors and the beneficiaries/consumers with due regard to the guiding principles as enunciated in Section 61 of the Act.

The Commission issued the Uttarakhand Electricity Regulatory Commission (Tariff and Other Terms for Supply of Electricity from Renewable Energy Sources and non-fossil fuel based Co-generating Stations) Regulations, 2013 dated 15.04.2013 (hereinafter referred as "previous Regulations"). Thereafter, to provide clarity on applicability of the Regulations, to introduce third party model under Grid connected Roof Top Solar PV plants and also for revision in % of RPO by obligated entities, the Commission made four amendments to the Principal Regulations (vide notifications dated October 15, 2013, June 20, 2014, July 21, 2015 and September 9, 2015). The Commission had vide notification dated 29.04.2016 issued Fifth amendment to these Regulations wherein, MSW & RDF based RE generating plants were also included under the Regulations. Moreover, revision in definition of inter-connection point and provision for tariff of canal based solar PV plants had also been made through Fifth Amendment to the Regulations. Subsequently, the Commission vide notification dated September 23, 2017, based on the representations received from various stakeholders, made the following amendments to bring more clarity and in line with the Tariff Policy, (1) Relaxation in bidding process for implementation of Solar PV projects at Government owned premises; (2) Relaxation in demonstration of MCR for declaration of CoD for Solar PV projects; (3) Revision in RPO trajectory; (4) Revision in O&M expenses of SHPs; and (5) Revision/clarification for applicability of tariff for injection of energy more than 95% of generation by the Rooftop and Small Solar PV Projects.

The Commission is specifying the Tariff Regulations, 2018 for determination of tariff for all renewable energy based power plants from FY 2018-19 to FY 2022-23. Keeping in view the Regulatory developments after previous Regulations and the experience gained, the

Commission is notifying the draft Regulations to address the following issues:

- (a) To review the existing provisions to align them with the change in the Companies Act, 2013, Conduct of Business Regulations, 2014 and Open Access Regulations, 2015.
- (b) To review the provisions of the Regulations vis-a-vis CERC RE Regulations, 2017.
- (c) To review the norms of Operation & Maintenance expenses.
- (d) To review normative capital cost of the various RE resources.
- (e) To address certain gaps and discrepancies in the Regulations.

The Commission has decided to issue the draft Regulations inviting comments/objections/suggestions on the same from the stakeholders. Last date of submission of comments/objections/suggestions on the same is 21.05.2018.

By the order of the Commission

(Neeraj Sati)  
Secretary