

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

Application seeking approval of the Commission on the Power Purchase Agreement between:

1. UPCL and M/s Rajesh Kumar Singh.
2. UPCL and M/s Pradeep Kumar Bansal.
3. UPCL and M/s Himalaya Plastic Products.
4. UPCL and M/s Bhagwati Prasad.
5. UPCL and M/s Chanchal Singh.
6. UPCL and M/s SS Engineering (Eligible Consumer) & M/s Amplus Infrastructure Developers Pvt. Ltd. (Third Party Owner).
7. UPCL and M/s Jain Amar Industries (Eligible Consumer) & M/s Amplus Energy Solution Pvt. Ltd. (Third Party Owner).
8. UPCL and M/s Raj Kumar (Eligible Consumer) & Sai Yash Solar Systems (Third Party Owner).

In the matter of:

Uttarakhand Power Corporation Ltd.

... Petitioner

AND

In the matter of:

1. Sh. Rajesh Kumar Singh
2. Sh. Pradeep Kumar Bansal
3. M/s Himalaya Plastic Products
4. Sh. Bhagwati Prasad
5. Sh. Chanchal Singh
6. M/s SS Engineering & M/s Amplus Infrastructure Developers Pvt. Ltd.
7. M/s Jain Aman Industries & M/s Amplus Energy Solution Pvt. Ltd.
8. Sh. Raj Kumar & M/s Sai Yash Solar Systems

...Respondents

CORAM

Shri Subhash Kumar Chairman

Shri K.P. Singh Member

Date of Order: October 6, 2016

This Order relates to the Petitions filed by Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL" or "Petitioner" or "Licensee") seeking approval of total 8 PPAs executed by it with the project developers for procurement of power from Grid Interactive Rooftop & Small Solar PV Plant including 3 PPAs executed under Third Party Model.

1. Petitioner's Submissions

- 1.1. UPCL had filed the Petitions seeking approval of the Commission on the Power Purchase Agreement for purchase of energy generated from the Respondents Rooftop and Small Solar PV Plant under Section 86(1)(b) of the Electricity Act, 2003 and clauses 5.1, 5.2 & 5.4 of the license conditions of the Distribution and Retail Supply license dated 20.06.2003 issued by the Commission.
- 1.2. The Petitioner submitted that as per the provisions of the Electricity Act, 2003 read with the provisions of UERC (Conduct of Business) Regulations, 2014 and Distribution and Retail Supply License, the Petitioner is required to get the approval of the Commission on the Power Purchase Agreement entered into with the Generating Company.
- 1.3. The Petitioner further submitted that the Respondents were desirous to sell entire energy scheduled to be generated from their projects and the applicant company is desirous of purchasing entire energy on the terms and conditions as agreed between the parties as per the terms and condition laid down in the respective PPA.

2. Commission's Views & Decisions

2.1. Legal Requirement for approval of PPA

- 2.1.1. A PPA is a legal document incorporating operational, technical & commercial provisions to be complied in accordance with the relevant rules & regulations.
- 2.1.2. Section 86(1)(b) of the Electricity Act, 2003 stipulates that one of the function of the Commission is to regulate electricity purchase and procurement process of the distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.
- 2.1.3. Further, the Distribution and Retail Supply License issued by the Commission lays down certain conditions of license, which amongst others also has the following:

"5.1 The Licensee shall be entitled to:

(a) ...

(b) Purchase, import or otherwise acquire electricity from any generating company or any other person under Power Purchase Agreements or procurement process approved by the Commission; ..."

(Emphasis added)

2.1.4. Further, Regulations 7(2) & 7(3) of the UERC (Tariff and other Terms for Supply of Electricity from Non-Conventional and Renewable Energy Sources) Regulations, 2013 (RE Regulations, 2013) specifies that:

“(2) The distribution licensee on an offer made by the said RE based Generating Stations and Co-generating Stations shall enter into a power purchase agreement in conformity with these Regulations and relevant provisions of other Regulations and the Act. The distribution licensee shall sign the PPA within two months of offer made by the generating company, failing which the generating company may approach the Commission for suitable remedy.

(3) The distribution licensee shall make an application for approval of power purchase agreement entered into with the generating station in such form and manner as specified in these regulations and Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 as amended from time to time.”

(Emphasis added)

2.1.5. Accordingly, in accordance with the requirement of the Act and Regulations referred above, UPCL as a distribution licensee is required to seek approval of the PPAs entered or proposed to be entered by it from the Commission.

2.2. Commission’s Analysis of the PPAs and Order on the same

2.2.1. Details of the 8 Rooftop and Small Solar PV Plant for which PPAs have been executed by the UPCL with the Respondents and submitted before the Commission for approval have been categorized into two groups as follows:

S. No.	Respondent's Name	Project Name/ Location	Capacity (kW)	Tariff (Rs. kWh)	Date of PPA
I: Rooftop and Small Solar PV Plant					
1	Sh. Rajesh Kumar Singh	Village Kurdi, Manglore, Haridwar	150 kW	As per tariff notified by UERC	16.10.2015
2	Sh. Pradeep Kumar Bansal	Bishanpur Jharda gram, Haridwar	500 kW	As per tariff notified by UERC	23.09.2015
3	M/s Himalaya Plastic Products	Village Peepalsana Halduwa, Ramnagar, Nainital	143 kW	As per tariff notified by UERC	24.09.2015
4	Sh. Bhagwati Prasad	Village Simli, Karnaprayag, Rudarprayag	10 kW	As per tariff notified by UERC	17.03.2015
5	Sh. Chanchal Singh	Bahadrabad, Haridwar	150 kW	As per tariff notified by UERC	17.10.2015
II: Rooftop and Small Solar PV Plant under Third Party Model					
6	M/s Jain Amar Industries (Eligible Consumer) & M/s Amplus Energy Solution Pvt. Ltd. (Third Party Owner)	Village Shimla Pistore, Tehsil Kiccha, Udham Singh Nagar	250 kW	As per tariff notified by UERC	05.10.2015
7	Sh. Raj Kumar (Eligible Consumer) & M/s Sai Yash Solar Systems (Third Party Owner)	Village Libberhedi, Haridwar	500 kW	As per tariff notified by UERC	16.09.2015
8	M/s SS Engineering (Eligible Consumer) & M/s Amplus Infrastructure Developers Pvt. Ltd. (Third Party Owner)	Industrial Estate, Distt. Udham Singh Nagar	150 kW	As per tariff notified by UERC	28.10.2015

2.2.2. The PPAs submitted by the UPCL have been examined in light of the relevant rules & Regulations. The Commission observed that certain clauses in the PPAs submitted by UPCL are inconsistent with the provisions of the Act/Regulations. Such observations have been discussed in the subsequent paragraphs. UPCL is required to take note of the same and incorporate necessary corrections in the respective PPAs.

2.2.3. Further, 5 PPAs submitted by UPCL pertains to the Grid Interactive Rooftop & Small Solar PV Plants. Remaining 3 PPAs submitted by UPCL relates to Grid Interactive Rooftop & Small Solar PV Plants under Third Party Model. Accordingly, for the purpose of this Order, analysis and decision in respect of these PPAs have been discussed in two groups. Further, the provisions in all the PPAs in a group are similar, hence, the Commission's decision shall be equally applicable for all such PPAs.

2.2.4. Observation on the PPAs under Group I: Rooftop and Small Solar PV Plant

- a) PPAs have been executed for sale of power from Grid Interactive Rooftop & Small Solar PV Power Plant on net metering basis in accordance with the RE Regulations, 2013. In this regard, relevant definitions introduced vide the 3rd amendment to RE Regulations, 2013 notified on 22.08.2015 are as follows:

“(c1) Billing cycle or Billing period” means a period of one month for which electricity bills shall be prepared for each Eligible Consumers by the licensee;”

“(cc1) “Premises” means the land, building or infrastructure or part or combination thereof including the rooftops or/and elevated areas owned by the Eligible Consumer;”

Although the above referred terms have been mentioned in the PPAs in different places such as clause 4.1 & 5.1 etc., however, the same has not been defined in the PPA. Hence, the Petitioner is required to incorporate the same in the PPAs.

- b) Further, Commission observes that vide notification on Fifth Amendment to the RE Regulations, 2013 dated 29.04.2016 definition of Inter-connection Point has been modified as follows:

“(v) “Inter-connection Point” in respect of all the RE based generating stations, except Grid interactive Roof Top and Small Solar PV Power Projects, shall mean interface point of renewable energy generating facility with the transmission system or distribution system which shall be line isolator on outgoing feeder on HV side of generator transformer;

However, in respect of Grid interactive Roof Top and Small Solar PV Power Projects, Inter-connection Point shall mean the interface of solar power generation facility under net metering arrangement with the network of licensee and shall normally be the point where export/import meter is installed to measure the energy transfer between the licensee and the eligible consumer;.”

The above mentioned definition is also required to be incorporated in the PPA in place of the definition given in the PPAs.

- c) Clause 2.2 of the PPAs provides that:

“In any billing period, the net energy i.e. the difference between the total energy injected by the Third Party Owner into the Grid and the energy supplied by the Distribution Licensee, shall be purchased, in accordance with the terms and conditions of this Agreement and at rate specified for such plants in Annexure I of the Uttarakhand Electricity Regulatory Commission (Tariff and other terms for supply of Electricity from Renewable Energy Sources and non-fossil fuel based cogenerating stations) Regulations, 2013 and tariff order of UERC, whichever is applicable.”

In this regard, the relevant sub-regulations (2), (3), (4) & (5) of Regulation 35 of the RE Regulations, 2013 read with third amendment thereof are reproduced below which specify that:

“(2) Roof-top Solar PV sources can be installed for injecting into the distribution system of a licensee by any Eligible consumer. Provided, the maximum installed capacity of rooftop PV solar

power plant & small solar PV plant at the premises of eligible consumer shall not be more than 500 kW.

(3) Injection from roof-top solar PV sources owned by the Eligible consumer(s) or by third party shall be settled on net energy basis at the end of each Billing period. Provided, such net energy shall not be more than 95% of the actual energy generated in the said Billing Period.

Provided, where the net energy injected exceeds 95% of the actual energy generated in a Billing Period, such excess net energy (net energy - 95% of actual energy generated) shall be paid at the lowest base slab of energy charges prescribed in the Rate Schedule for the said Eligible Consumer.

(4) The tariff, as per tariff orders of the Commission, in respect of the supply of electricity to the consumers by the distribution licensee shall be applicable for the net energy supplied by the licensee in a billing period if the supplied energy by the licensee is more than the energy injected by the roof-top solar PV sources of the consumer(s) or by third party.

Provided that such eligible consumer shall, however, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other charges.

Provided further that no open access charges including surcharges shall be leviable on such eligible consumers for the captive use of power.

(5) If in a billing period the supplied energy by the licensee is less than the energy injected by the roof-top solar PV sources of the consumer(s) or the third party, subject to provisions in sub-Regulation (3) above, the licensee would be billed at the generic tariff as may be specified by the Commission for such net energy supplied to it."

Accordingly, the provision of adjustment of energy injected by Solar power plants and applicability of tariff for such energy, as stipulated in the above mentioned sub-regulations, is required to be elaborated in clause 2.2 of the PPAs falling under Group I. Hence, clause 2.2 should be read as under:

"In any billing period, billing of the net energy i.e. difference between the total energy injected by the Rooftop and small Solar PV Plant into Grid and the net energy supplied by the Distribution licensee shall be done as following:

(a) Injection from roof-top solar PV sources owned by(name of the generator) or by third party shall be settled on net energy basis at the end of each Billing period. Provided, such net energy shall not be more than 95% of the actual energy generated in the said Billing Period.

Provided, where the net energy injected exceeds 95% of the actual energy generated in a Billing Period, such excess net energy (net energy - 95% of actual energy generated) shall be paid at the lowest base slab of energy charges prescribed in the Rate Schedule for the said Eligible Consumer.

(b) The retail tariff, as per tariff orders of the Commission, in respect of the supply of electricity to the consumers by the distribution licensee shall be applicable for the net energy supplied by the licensee in a billing period if the supplied energy by the licensee is more than the energy injected by the roof-top solar PV sources of (name of the generator) or by third party.

(c) Such consumer shall, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other such charges or open access charges including surcharges.

(d) If in a billing period the supplied energy by the licensee is less than the energy injected by the roof-top solar PV sources of(name of the generator), the licensee would be billed at the generic tariff as may be specified by the Commission for such net energy supplied to it."

- d) Clause 3.1 of the PPAs provides that Rooftop & Small Solar PV Plant shall supply two identical sets of meters and Clause 3.2 provides that such plant shall bear the cost of installing new/additional meter/metering system. However, Regulation 42(4) of the RE Regulations, 2013 read with third amendment to said regulations specifies as under:

"(4) The cost of switch gear, metering and protection arrangement at generator end shall have to be borne by the owner of solar generators. However, Check Meter with same specification of Main Meter shall be provided by distribution licensee.

Provided, Check Meter and related equipments can be procured by such plant owner. However, the cost of Check Meter shall be refunded by the licensee to such plant owner."

In view of the above provision of the regulation, licensee is required to bear the cost of check meter. Hence, necessary correction is required to be made in the said clause of the PPA. Further, sub-regulation (3) of Regulation 42 of the RE Regulations, 2013 read with third amendment to the said regulations specifies that the energy supplied by the plant can be measured either by two separate meters or alternatively by an export-import type meter as reproduced below:

"(3) Supply of electricity to the consumer(s) from the licensee's sources and that to the licensee's distribution system from the roof-top Solar PV sources shall be measured either by two separate meters, the readings of which shall be used in each billing period for settlement on net basis or alternatively by an export-import type meter suitable for directly measuring the net exchange."

In view of the above provision of the regulations, the Rooftop & Small Solar PV Plant can opt to install either two separate meters or one single export import meter suitable for directly measuring the net exchange of power.

- e) Clause 3.13 & 3.14 of the PPAs provide the metering arrangement at generator terminal unit and other parameters to be in accordance with “CEA (Installation and Operation of Meters) Regulations, 2010” however, short title of the said regulations should be substituted with “CEA (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.”
- f) Clause 4.1 of the PPAs provides that UPCL shall prepare bill for net electricity purchased by Rooftop & Small Solar PV Plant from UPCL or net electricity supplied by such plants to UPCL. In this regard, as discussed in sub-Para (c) above, billing of energy supplied from such plants shall be strictly in accordance with sub-regulations (2), (3), (4) & (5) of Regulation 35 of the RE Regulations, 2013 read with third amendment thereof. Further, it has been observed that bills of net energy supplied and payment thereof are being carried out with considerable delays. The Commission has also received complaint from one of the Rooftop and small Solar PV Generator that it takes around 10-17 days for presentation of energy bills at headquarter of UPCL leading to delay in payment for net energy supplied by the generator. So as to avoid procedural delay in timely payment of net energy supplied by the generator, the Commission is of the view that instead of finalization and payment of such energy bills from headquarter of the UPCL it should be issued and remitted by the concerning division/circle office of the licensee. Accordingly, Clause 4.1 of the PPA is required to be modified and shall be read as:

“UPCL shall prepare bill for net electricity purchased by Rooftop and small Solar PV Plant from UPCL or net electricity supplied by the Rooftop and small Solar PV Plant to UPCL at the division end in accordance with the Clause 2.2 of this PPA”

- g) Clause 5.2 of the PPAs is not consistent with provisions of Regulations and also as provided vide the Commission’s Order dated 06.01.2016. The above mentioned Clause 5.2 of the PPAs should be read as:

“If in any billing period, the energy injected by the Rooftop and small Solar PV Plant is more than the energy drawl from the Distribution Licensee, the Distribution Licensee shall pay monthly bill based on net energy in accordance with Uttarakhand Electricity Regulatory Commission (Tariff and other terms for supply of Electricity from Renewable Energy Sources and non-fossil fuel based cogenerating stations) Regulations, 2013 read with sub-regulations (2),(3),(4) &(5) of regulation 35 of third amendment of these Regulations.

a. UPCL shall make full payment against such Bills as per RE Regulation 2013 to(name of the generator), from the date of the issuance/raising of original bill with complete documents with following rebate options:-

i. For payment of bills through the letter of credit on presentation, a rebate of 2% shall be allowed.

ii. Where payments are made by a mode other than through the letter of credit but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.

b. For default in payment beyond 60 days from the billing, a surcharge at the rate of 1.25% per month or part thereof shall be levied on the billed amount."

h) Further, as discussed at Para 2.2.4 (f) above, so as to avoid procedural delay in timely payment of net energy supplied by the generator, the Commission is of the view that instead of payment of such bills from headquarter of the UPCL it should be remitted by the concerning division/circle office of the licensee. Accordingly, additional Clause 5.3 is required to be incorporated in the PPAs as follows:

"5.3 Finalisation of energy bills and payments thereof shall be carried out at the division/circle office of the licensee"

i) Name of UJVN Ltd. appearing at 4th line of Clause 6.5 of the PPAs is required to be replaced with "Rooftop & Small Solar PV Plant".

j) Clause 6.7 of the PPAs provide that Rooftop & Small Solar PV Plant shall operate and maintain the interconnection and parallel operation facility in accordance with accepted good engineering practices in the electricity industry and the SGC as amended from time to time. In this regard, the Commission is of the view that CEA (Safety requirements for Construction, Operation & Maintenance of Electrical Plants and Electric Lines) Regulations, 2011, CEA (Technical Standards for construction of Electric Plants and Electric Lines) Regulations, 2010, CEA (Technical Standard for Connectivity in the Grid) Regulations, 2007 & CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 read with amendments issued from time to time, are in place for construction, connectivity and safety aspects. Hence, licensee should ensure including said regulations in the PPAs.

k) Further, sub-regulation (2) of Regulation 42 of the RE Regulations, 2013 read with third amendment thereof provides that:

(2)“In the interconnection of roof top PV solar energy generator with the local distribution licensee’s grid, the relevant provisions of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 as amended from time to time shall apply.”

Interconnection facility mentioned at Clause 6 of the PPAs should be in accordance with the above mentioned CEA Regulations, 2010 and the same should also be specified in said Clause of the PPAs.

- l) Clause 7.2 of the PPAs requires that Rooftop & Small Solar PV Plant should obtain prior approval of licensee in respect of protection scheme. However, no timeline for the same has been provided in said Clause. In this regard, UPCL is required to provide a definite time line with mutual consent of the parties for the said approval.
- m) Clause 7.3 of the PPAs requires for installation of necessary equipments by Rooftop & Small Solar PV Plant for elimination of feeding reverse power from grid to such plant in absence of any agreement for purchase of power with UPCL.

It is pertinent to reproduce Sub-regulations (6) & (7) of Regulation 42 of the RE Regulations, 2013 (third amendment) which cast responsibilities both on Distribution Licensee & Eligible Consumer w.r.t. to protection & safety aspects and the same reads as:-

“(6) The roof top PV solar energy generator shall be responsible for safe operation, maintenance and rectification of defect of its system up to the interconnection point beyond which the responsibility of safe operation, maintenance and rectification of any defect in the system including the net meter shall rest with the distribution licensee.

(7) The eligible consumer shall be solely responsible for any incidents/accident to human being / animals whatsoever (fatal / nonfatal / departmental / non-departmental / damages to material of the licensee) that may occur due to back feeding from the solar plant when the grid supply is off and such consumer shall not only bear the cost of the damages to the material of the licensee but also compensate for the life of any human being/ animals in case of such incidents/accidents. The distribution licensee reserves the right to disconnect the consumer’s installation at any time in the event of such exigencies to prevent accident or damage to man and material.”

In order to ensure safe and secure operation of overall system of the licensee and life of human being/animal as well, the above mentioned two sub regulations are critical. The same provisions have not been incorporated in the PPAs of Group-I. Accordingly, licensee is required to revise clause 7.3 and incorporate the above provisions of the Regulation in the clause 7 of the PPAs.

n) Clause 9.2 (or sub-clause b of clause 9) provides that:

“9.2. The agreement may be renewed or extended for such period as may be mutually agreed between the Rooftop and Small Solar PV Plant and UPCL on expiry of initial term described at 10.1 above.”

The above condition should be modified to be read as:

“9.2. The agreement may be renewed or extended for such period as may be mutually agreed between the Rooftop and Small Solar PV Plant and UPCL on expiry of initial term described at 9.1 above.”

2.2.5. Observation of the PPAs under Group II: Rooftop and Small Solar PV Plant under Third Party Model

a) 5th Para of preamble of the PPAs executed with Respondents namely, M/s Amplus Energy Solutions (M/s Jain Amar Industry) and M/s Amplus Infrastructure Developers (M/s SS Engineering) mentions date of 3rd amendment to RE Regulations, 2013, as 23.07.2015. The correct date of the gazette notification of the same is 22.08.2015. However, vide the Commission’s Order dated 23.07.2015 tariffs of Solar based projects have been specified for FY 2015-16. Accordingly, UPCL is required to take note of actual dates, as mentioned above, and make necessary corrections at all places in the PPAs.

b) PPAs have been executed for sale of power from Rooftop & Small Solar PV Power Plant on net metering basis in accordance with the RE Regulations, 2013 under Third Party Model. In this regard, relevant definition introduced vide the 3rd amendment to RE Regulations, 2013 notified on 22.08.2015 are as follows:

“(mm1) “Third party owner” means a developer who generates solar energy from its plant established in the Premises of Eligible Consumer, and who has entered into a lease/commercial agreement with such Eligible Consumer;”

Since the above referred term has been mentioned at the preamble of the PPAs, hence, the Petitioner is required to incorporate the above mentioned definition in the PPAs also.

c) The Commission observes that vide notification dated 29.04.2016 on the Fifth Amendment to the RE Regulations, 2013 definition of Inter-connection Point has been modified as follows:

“(v) “Inter-connection Point” in respect of all the RE based generating stations, except Grid

interactive Roof Top and Small Solar PV Power Projects, shall mean interface point of renewable energy generating facility with the transmission system or distribution system which shall be line isolator on outgoing feeder on HV side of generator transformer;

However, in respect of Grid interactive Roof Top and Small Solar PV Power Projects, Inter-connection Point shall mean the interface of solar power generation facility under net metering arrangement with the network of licensee and shall normally be the point where export/import meter is installed to measure the energy transfer between the licensee and the eligible consumer;.”

The above mentioned definition is also required to be incorporated in the PPA in place of the definition given in the PPAs.

- d) Clause 2.2 of the PPAs provides that for procedure of billing for net energy supplied or received by the licensee. The same should read as:

“In any billing period, billing of the net energy i.e. difference between the total energy injected by the Rooftop and small Solar PV Plant into Grid and the net energy supplied by the Distribution licensee shall be done as following:

(a) Injection from roof-top solar PV sources owned by(name of the generator) or by third party shall be settled on net energy basis at the end of each Billing period. Provided, such net energy shall not be more than 95% of the actual energy generated in the said Billing Period.

Provided, where the net energy injected exceeds 95% of the actual energy generated in a Billing Period, such excess net energy (net energy - 95% of actual energy generated) shall be paid at the lowest base slab of energy charges prescribed in the Rate Schedule for the said Eligible Consumer.

(b) The retail tariff, as per tariff orders of the Commission, in respect of the supply of electricity to the consumers by the distribution licensee shall be applicable for the net energy supplied by the licensee in a billing period if the supplied energy by the licensee is more than the energy injected by the roof-top solar PV sources of (name of the generator) or by third party.

(c) Such consumer shall, be exempted from payment of monthly minimum charges or monthly minimum consumption guarantee charges or any other such charges or open access charges including surcharges.

(d) If in a billing period the supplied energy by the licensee is less than the energy injected by the roof-top solar PV sources of(name of the generator), the licensee would be billed at the generic tariff as may be specified by the Commission for such net energy supplied to it.”

- e) Clause 3.13 & 3.14 of the PPAs provide the metering arrangement at generator terminal unit and other parameters to be in accordance with “CEA (Installation and Operation of Meters) Regulations, 2010” however, short title of the said regulations should be

substituted with “CEA (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.”

- f) Clause 4.1 of the PPAs provides that UPCL shall prepare bill for net electricity purchased by Rooftop & Small Solar PV Plant executed under Third Party Model from UPCL or net electricity supplied by such Third Party Owner to UPCL. In this regard, billing of energy supplied from such plants shall be strictly in accordance with sub-regulations (2), (3), (4) & (5) of Regulation 35 of the RE Regulations, 2013 read with third amendment thereof. Further, it has been observed that bills of net energy supplied and payment thereof are being carried out with considerable delays. The Commission has also received complaint from one of the Rooftop and small Solar PV Generator that it takes around 10-17 days for presentation of energy bills at headquarter of UPCL leading to delay in payment for net energy supplied by the generator. So as to avoid procedural delay in timely payment of net energy supplied by the generator, the Commission is of the view that instead of finalization and payment of such energy bills from headquarter of the UPCL it should be issued and remitted by the concerning division/circle office of the licensee. Accordingly, Clause 4.1 of the PPA is required to be modified and shall be read as:

“UPCL shall prepare bill for net electricity purchased by Rooftop and small Solar PV Plant from UPCL or net electricity supplied by the Rooftop and small Solar PV Plant to UPCL at the division end in accordance with the Clause 2.2 of this PPA”

- g) Further, as discussed at Para 2.2.5 (f) above, so as to avoid procedural delay in timely payment of net energy supplied by the generator, the Commission is of the view that instead of payment of such bills from headquarter of the UPCL it should be remitted by the concerning division/circle office of the licensee. Accordingly, additional Clause 5.3 is required to be incorporated in the PPAs as follows:

“5.3 Finalisation of energy bills and payments thereof shall be carried out at the division/circle office of the licensee”

- h) Clause 6.8 of the PPA provides that the Third Party Owner and UPCL shall, operate and maintain the interconnection and parallel operation facility in accordance with accepted good engineering practices in the electricity industry and the SGC as amended from time to time. In this regard, the Commission is of the view that CEA (Technical Standard for Connectivity to the Grid) Regulations, 2007, as amended from

time to time, are in place for connectivity, hence, licensee should ensure including said regulations in the PPA.

- i) Clause 7.2 of the PPAs requires that Third Party Owner should obtain prior approval of licensee in respect of protection scheme. However, no timeline for the same has been provided in said Clause. In this regard, UPCL is required to provide a definite time line with mutual consent of the parties for according the said approval.

3. While parting with this Order it would be appropriate to point out an important aspect of licensee's habitual practice being followed at the time of preparation/submission of its petitions. On analysis of the PPA, the Commission also noted that the discrepancies mentioned as above are by & large similar to that of the discrepancies pointed out on Draft PPAs regarding Grid Interactive Rooftop & Small Solar PV Plants vide the Commission's earlier Order dated 06.01.2016 and regarding Model Draft PPA under Third Party Model vide the Commission's Order dated 09.09.2015. Recurrence of the similar discrepancies shows lackluster approach of the Petitioner on the Commission's ruling/directions leading to delay in regulatory process. The licensee, atleast, can make references of the Regulations/Orders of the Commission at the time of preparation/submissions of its Petitions in similar matters so as to save precious time of all the concerned. The Petitioner is hereby directed to avoid recurrence of similar discrepancies in all future filing of petitions on which the Commission has already given its views/decisions failing which action may be initiated against the officers responsible.

4. Ordered accordingly.

(K.P. Singh)
Member

(Subhash Kumar)
Chairman