

**Before**

## **UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the matter of:**

Petition to extend the commissioning date of 23 Solar PV Power Plants (cumulative capacity 181.40 MW) upto 31 January, 2017.

**In the matter of:**

Uttarakhand Renewable Energy Development Agency (UREDA) .... Petitioner

**And**

**In the matter of:**

Uttarakhand Power Corporation Ltd. ... Respondent No. 1

Power Transmission Corporation of Uttarakhand Ltd. ... Respondent No. 2

**CORAM**

**Shri Subhash Kumar    Chairman**

**Shri K.P. Singh        Member**

**Date of Hearing: September 20, 2016**

**Date of Order: September 20, 2016**

This order relates to the petition filed by Uttarakhand Renewable Energy Development Agency (hereinafter referred to as "UREDA") seeking extension of the date of commissioning of 23 solar PV Power Plants (cumulative capacity 181.40 MW) i.e. upto 31.01.2017.

### **1. Petitioner's submission**

- 1.1. UREDA filed the Petition under the provisions specified in Regulation 9, 10, and 54 of the UERC (Conduct of Business) Regulations, 2014 and Regulation 11, 49 and 50 of UERC (Tariff and Other Terms for Supply of Electricity from Non-conventional and Renewable Energy Sources) Regulations, 2013 to extend the date of commissioning of 23 Solar PV Power Plants (cumulative capacity of 181.40 MW), i.e. upto 31 January, 2017.
- 1.2. UREDA submitted that as per the RfP, the schedule commissioning of Solar PV Power Plants was stipulated as 31.10.2016. In this regard, the Commission vide its order dated 22.01.2016 had approved the draft PPA for 23 solar power plants and held that the tariff

quoted by the project developers shall apply provided they execute their PPA with UPCL by 31.03.2016 and they commission their projects on or before 31.03.2016 and in case of failure in commissioning of their plants on or before 31.03.2016, tariff incorporated in the PPA entered into by UPCL and such project developers shall apply only if the rate determined by the Commission for the year of commissioning of the plant is higher than the PPA tariff rate.

- 1.3. UREDA further approached the Commission for extension of the commissioning of the projects as it was practically not possible to commission the projects within 2 months from the date of order. Accordingly, UREDA had filed a Petition requesting the Commission to extend the benchmark capital cost & generic tariff as approved by the Commission vide its Order dated 23.07.2015 upto 30.10.2016. The Commission vide Order dated 31.03.2016 extended the time limit for execution of PPA from 31.3.2016 to 10.04.2016 and extended the time limit for commissioning of the project to 31.10.2016.
- 1.4. UREDA submitted that UPCL had filed petitions before the Commission on 18.06.2016 and 05.07.2016 for approval of the signed PPA with 23 developers. The Commission vide its Order dated 29.07.2016 had pointed out certain necessary corrections and had directed UPCL and the developers to sign supplementary PPA within 2 days. Accordingly, UPCL vide its letter dated 29.08.2016 had requested all the developers for signing of supplementary PPA. However, till 02.09.2016 only seven developers had signed the supplementary PPAs. Due to delay in signing the supplementary PPA, developers were not getting loans from the financial institutions/banks etc. This caused problems for the developers in achieving the financial closures of the project within the stipulated timelines.
- 1.5. The Petitioner further submitted that all the developers had procured the land and some of them had given advance payment to EPC contractor for the setting up of solar power plant. They had also received the Technical Feasibility Report from competent authority.
- 1.6. The GoUK based on the request made by the developers has extended the date of commissioning of 23 Solar PV based project selected through tariff based competitive bidding process in accordance with the "Solar Energy Policy of Uttarakhand-2013" from 30<sup>th</sup> Oct, 2016 to 31<sup>st</sup> Jan, 2017.
- 1.7. The Commission held the hearing in the matter on 20.09.2016 wherein the Petitioner, Respondent and other stakeholders, i.e. the developers were heard in the matter.

## **2. Submissions made during the hearing**

- 2.1. UREDA reiterated its submissions made in the Petition.
- 2.2. ACME, one of the project developer raised the issue of evacuation which it had also raised vide its letter dated 09.09.2016 and requested the Commission to allow it to construct the 33 kV bay at 132/33 kV Sub-Station, Bazpur, US Nagar.
- 2.3. Some of the developers requested the Commission to extend the date of commissioning to 31.03.2017 instead of 31.01.2017 as proposed by UREDA.
- 2.4. UPCL submitted that it had no objection in extending the date of commissioning as proposed in the Petition.
- 2.5. PTCUL submitted that it would ensure connectivity to the projects within 3 months from the date of deposit of the requisite amount by the developers.

## **3. Commission's view and decision**

- 3.1. The Commission vide its order dated 29.07.2016, keeping in view the requirement of financial closure to be achieved by the project developers by 31.07.2016, had directed UPCL and the developers to sign the supplementary PPA within 2 days from the issue of Order. However, UPCL vide its letter dated 29.08.2016, i.e. after one month from the date of order, requested the developers for signing of supplementary PPA. UREDA vide the Instant Petition requested the Commission to extend the commissioning date of the projects from 31.10.2016 to 31.01.2017. Further, some of the developers have requested the Commission to extend the date till 31.03.2017.
- 3.2. In this regard, it is pertinent to mention that this scheme was introduced to facilitate UPCL in meeting its Solar Renewable Purchase Obligation. However, it is also not denied from the facts that delay in achieving financial closures and consequently the commissioning of the projects is due to the inefficiency of UPCL in delaying the signing of the PPA. At this stage it cannot be expected from the developers to achieve financial closure and commission their projects within 2 months after signing of the PPA. Accordingly, recognizing the difficulty faced by the developers the Commission accepts the submission made by the developers to extend the date of commissioning to 31.03.2017 which would leave the developers about 6 months to complete their projects easily.

- 3.3. The developers are, however, advised to make sincere and concerted efforts to commission their project as early as possible to contribute towards facilitating UPCL in meeting its solar RPO but also in providing energy to the grid in the winter months when UPCL is in deficit. Moreover, as far as tariff is concerned, tariff rates quoted by the selected developers are still lower than the levelized tariff specified by the Commission for FY 2016-17. Hence, there will be no implication on tariffs allowed to the developers if they commission their projects by 31.03.2017.
- 3.4. Further, some of the developers raised the issue of connectivity from PTCUL's end. In this regard, one of the developers submitted that PTCUL is not allowing it to construct the bays for connectivity purpose. In reply, Chief Engineer (Commercial), PTCUL submitted that there is an ambiguity in the Regulations regarding construction of bay in PTCUL's sub-station. However, it would provide the connectivity to the developer within 3 months from the date of deposit of the amount required for construction of necessary infrastructure.
- 3.5. Accordingly, the Commission directs:
- a. UPCL and the developers to change the date of commissioning as occurring in the PPA as 31.10.2016 to 31.03.2017 by entering into a Supplementary PPA within 02 days of the date of Order.
  - b. All the concerned developers to make a request to PTCUL or UPCL, as applicable within 2 days from the date of Order for connectivity of their project;
  - c. PTCUL or UPCL to provide the cost estimates, if any, for construction of bay and other necessary infrastructure within 2 days from the receipt of the said request for connectivity of the projects.
  - d. PTCUL or UPCL to provide the connectivity to the projects within 3 month from the date of payment of cost estimates/demand notes for construction of bay and other necessary infrastructure.

3.6. Ordered Accordingly.

**(K.P. Singh)**  
**Member**

**(Subhash Kumar)**  
**Chairman**