

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION  
SCO No. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 23 of 2018 (Suo-Motu)  
Date of Order: 09.08.2018**

In the matter of: Determination/ fixation of levelled generic Tariff for Renewable Energy Power Projects for FY 2018-19.

Present: Ms. Kusumjit Sidhu, Chairperson  
Sh. S.S. Sarna, Member  
Ms. Anjali Chandra, Member

**Order**

The Punjab State Electricity Regulatory Commission (Commission), in the Order dated 31.10.2017 in petition no. 50 of 2017 (Suo-Motu), after due process, adopted the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2017 (CERC RE Regulations, 2017). These Regulations are effective from 01.04.2017 and shall remain in force for a period of 3 years from the date of commencement i.e. upto 31.03.2020 unless reviewed earlier or extended by CERC subject to certain provisos specified in Regulation 5. The tariff determined under these Regulations for the RE Projects commissioned during the control period shall continue to be applicable for the entire duration of the Tariff Period as specified in the Regulations. Subsequently, CERC vide Order dated 31.05.2017 in petition no. 05/SM/2017 (Suo-Motu) determined levelled generic tariff for RE Project for FY 2017-18. Thereafter, the Commission vide Order dated 31.10.2017 in petition no. 50 of 2017 (Suo-Motu) determined the levelled generic tariff for RE projects for FY 2017-18 in line with

the CERC RE Regulations, 2017 and CERC aforesaid Order dated 31.05.2017. The orders issued for determination of levellised generic tariff for the previous years by PSERC are available at PSERC website i.e. [www.pserc.in](http://www.pserc.in).

2. CERC vide Order dated 28.03.2018 in petition no. 02/SM/2018 (Suo-Motu) determined the levellised generic tariff for RE Projects for FY 2018-19. CERC RE Regulations, 2017 and its aforementioned Order dated 28.03.2018 are available on the CERC website [www.cercind.gov.in](http://www.cercind.gov.in).

3. Keeping in view the above, the Commission approved preparation of Staff Paper for determination of the levellised generic tariff for RE projects for FY 2018-19.

4. A public notice was published on 17.06.2018 in the leading newspapers namely, The Tribune, Jagbani, Hindustan Times, Punjabi Tribune and Dainik Bhaskar inviting suggestions & objections on the Staff Paper from various stakeholders. Simultaneously, the Staff Paper was uploaded on the website of the Commission. The last date for receipt of suggestions & objections was 09.07.2018. Copy of the public notice along with Staff Paper was also sent to Department of Power, GoP, Department of NRES, GoP, Punjab State Power Corporation Ltd., Punjab State Transmission Corporation Ltd. and Punjab Energy Development Agency for obtaining their views/ comments on the same. One suggestion/ objection was received by the due date and another three after the due date. The Commission decided to consider all the suggestions/ objections. The list of 4 objectors is as hereunder:

- i) Punjab Municipal Infrastructure Development Company, Chandigarh (PMIDC).
- ii) Punjab Energy Development Agency, Chandigarh (PEDA).
- iii) Punjab State Power Corporation Limited, Patiala (PSPCL).
- iv) Biomass Power Producers Association, Mohali (BPPA).

The public hearing was held on 16.07.2018 which was attended by the representatives of PSPCL, PEDA, PMIDC & BPPA. The Commission sought some clarifications from PSPCL, PEDA & BPPA vide order dated 19.07.2018 and fixed next date of hearing on 24.07.2018. BPPA and PSPCL submitted their replies on 18.07.2018 & 23.07.2018 respectively. PEDA filed its reply during hearing on 24.07.2018. The Commission has carefully gone through the suggestions and objections filed by various objectors alongwith the replies filed by PSPCL, PEDA & BPPA in response to the order dated 19.07.2018. A summary of the issues raised and view of the Commission thereon are contained in Annexure-1 of this Order.

5. The Commission decides that the levellised generic tariff for FY 2018-19 determined by CERC vide its Order dated 28.03.2018 in petition no. 02/SM/2018 (Suo-Motu) for the RE technologies i.e. Biomass based Power Projects, Biomass Gasifier Power Projects, Biogas based Power Projects, Small Hydro Power Projects and Non-fossil fuel based Co-Generation projects, for the State of Punjab shall be applicable in the State. For other RE technologies such as Solar PV, Solar Thermal, Wind, MSW and RDF based projects, project specific tariff, on case to case basis, may be determined as provided in the CERC RE Regulations, 2017.

6. The generic tariffs for the various RE Projects/ Technologies



to be commissioned during the year 2018-19 will be as indicated in Table-1:

**Table-1**  
**Generic Tariff for RE technologies for FY 2018-19**

Particulars	Levelling Tariff (FY 2018-19)  (Rs./kWh)
<b>Small Hydro Power Projects</b>	
Below 5 MW	6.05
5 to 25 MW	5.07

Levelling Fixed Cost (Rs./kWh)	Variable Cost (FY 2018-19) (Rs./kWh)	Applicable Tariff Rate (FY 2018-19) (Rs./kWh)	Benefit of Accelerated Depreciation, if available (Rs./kWh)	Net Levelling Tariff Rate upon adjusting for Accelerated Depreciation benefit (3-4) (Rs./kWh)
1	2	3	4	5
<b>Biomass Power Projects [other than Rice Straw and Juliflora (plantation) based project] with water cooled condenser and travelling grate boiler</b>				
2.78	5.47	8.25	0.11	8.14
<b>Biomass Power Projects [other than Rice Straw and Juliflora (plantation) based project] with air cooled condenser and travelling grate boiler</b>				
2.93	5.59	8.52	0.12	8.40
<b>Biomass Power Projects [Rice Straw and Juliflora (plantation) based project] with water cooled condenser and travelling grate boiler</b>				
2.89	5.47	8.36	0.12	8.23
<b>Biomass Power Projects [Rice Straw and Juliflora (plantation) based project] with air cooled condenser and travelling grate boiler</b>				
3.05	5.59	8.64	0.13	8.51
<b>Biomass Power Projects [other than Rice Straw and Juliflora (plantation) based project] with water cooled condenser and AFBC boiler</b>				
2.77	5.37	8.14	0.11	8.03
<b>Biomass Power Projects [other than Rice Straw and Juliflora (plantation) based project] with air cooled condenser and AFBC boiler</b>				
2.92	5.49	8.42	0.12	8.29
<b>Biomass Power Projects [Rice Straw and Juliflora (plantation) based project] with water cooled condenser and AFBC boiler</b>				
2.88	5.37	8.25	0.12	8.13
<b>Biomass Power Projects [Rice Straw and Juliflora (plantation) based project] with air cooled condenser and AFBC boiler</b>				
3.04	5.49	8.54	0.13	8.40
<b>Bagasse based Co-Generation Projects</b>				
2.75	3.73	6.48	0.15	6.33
<b>Biomass Gasifier Power Projects</b>				
2.65	4.99	7.64	0.08	7.55
<b>Biogas based Power Projects</b>				
3.40	4.40	7.79	0.19	7.60

7. The revised Tariff Policy notified by the Ministry of Power on 28.01.2016 provides under clause 6.4(2) as under:

*“States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources from projects above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government.*

*However, till such notification, any such procurement of power from renewable energy sources projects, may be done under Section 62 of the Electricity Act, 2003.....”*

The Commission decides that bidding may be carried out on the basis of discount to be offered by the prospective bidders on the generic tariffs determined by the Commission in this Order, which would be the maximum/ ceiling tariff for the purpose.

However, for technologies for which levelled generic tariff has not been determined by the Commission in this Order, tariff based competitive bidding may be resorted to for allotment of projects except for waste to energy projects. A petition shall be filed before the commission by the procurer for consideration and adoption of tariff determined in the competitive bidding process.

8. The Commission observes that in accordance with Regulation 23 of the CERC RE Regulations, 2017 adopted by the Commission, any incentive or subsidy offered by the Central or State Government, including accelerated depreciation benefits if availed by a RE Project developer is to be taken into consideration while determining tariff. Accordingly, any incentive or subsidy offered by the Central or State Government available to the

developer shall be required to be passed on to Punjab State Power Corporation Ltd. (PSPCL) on actual disbursement basis resulting in appropriate reduction in tariff. Although per unit reduction on account of accelerated depreciation benefit has been quantified, reduction in tariff on account of other incentives and subsidies has not been specified. However, such incentives/subsidies cannot be generically determined and will have to be worked out by PSPCL on case to case basis. In the circumstances, PSPCL will, before signing the PPA with the developer, work out subsidy availed by the developer as per the formulae indicated in the applicable scheme framed by MNRE and reduce the tariff to that extent. However, for Biomass Gasifier Power Projects and Biogas based Power Projects, the capital subsidy granted by MNRE has already been accounted for in the tariff calculations.

**Sd/-**

(Anjuli Chandra)  
Member

**Sd/-**

(S.S. Sarna)  
Member

**Sd/-**

(Kusumjit Sidhu)  
Chairperson

**Date: 09.08.2018**

**Place: Chandigarh**

[Click here for Annexure](#)