

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 43 of 2009

**In the matter of
Petition filed by M/s Clover Solar Pvt Ltd for determination of Tariff
for Grid connected solar based Power Plant**

**Shri.V. P. Raja, Chairman
Shri. S. B. Kulkarni, Member
Shri. V. L. Sonavane, Member**

ORDER

December 14, 2009

M/s Clover Solar Pvt. Ltd. submitted a Petition under affidavit (Lodging no. 6609/2008), before the Commission on August 28, 2008, under Sections 62 and 86 of the Electricity Act, 2003 (“EA 2003”), for determination of tariff and Renewable Purchase Specification (RPS) Framework for sale of power from its 2 MW capacity Solar Photo Voltaic based grid connected power plant at Village Supa, Taluka Baramati, Pune. The following are the main prayers of the Petitioner:

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1. *To determine Tariff for Grid Connected SPV based Power Plant as mentioned in the Petition;*
2. *To mandate in regard of responsibility of development and bearing cost of evacuation infrastructure;*
3. *To mandate separate RPS for ensuring off-take of power from SPV based power plants in the state for adequate quantum of SPV generation set-up.”*

2. The Commission, vide its Notice dated September 5, 2008, scheduled the Technical Validation Session (TVS) in the matter on October 7, 2008, in the presence of the four consumer representatives authorised on a standing basis. During the TVS, M/s Clover Solar Pvt. Ltd. made a presentation regarding the proposed tariff for solar power.

3. The Commission also received several applications and enquiries from other developers interested in developing solar power projects within the State, regarding applicable tariff for such grid connected solar power projects. Further, submissions made by various solar project developers before the Commission indicated that multiple technological options such as solar photo-voltaic, concentrated solar photo-voltaic, concentrated solar thermal (dish, parabolic, tower) as well as multiple types of materials (thin film, poly crystalline, amorphous silica, etc.) can be used. Thus, performance parameters and cost structure could differ significantly from one solar power project to another. Further, typical project size is expected to be small (around 1 to 5 MW) and the number of projects is expected to be plenty, with diverse technological options. Determination of tariff for each solar generation project separately, shall entail significant regulatory cost and time; whereas promotional aspect necessitates that capacity is brought into the system expeditiously.

4. In view of the above, the Commission published a Draft Suo-Motu Order (Case No. 100 of 2008) on tariff applicable for solar power projects to be commissioned under the Generation Based Incentive (GBI) scheme announced by Ministry of New and Renewable Energy (MNRE) and for solar power projects to be commissioned under Non-GBI scheme. A Public Notice was issued on November 24, 2008, inviting written comments, objections, and suggestions from the public and various stakeholders including the Petitioner (M/s Clover Solar Pvt. Ltd.) by December 19, 2008.

5. Based on requests of a few stakeholders, the Commission further extended the deadline for receipt of objections, comments and suggestions on Draft Suo-Motu Order (Case No. 100 of 2008) upto December 26, 2008. Around 8 parties including Renewable Energy (RE) developers, solar power manufacturers, generating companies such as Maharashtra State Power Generation Company Limited (MSPGCL), distribution licensees such as Maharashtra State Electricity Distribution Company Ltd (MSEDCL), Brihan-Mumbai Electric Supply & Transport Undertaking (BEST), Reliance Infrastructure Ltd (RInfra), etc., submitted their comments and suggestions on the Draft Order.

6. Further, in pursuance of Section 64(3) of EA 2003, the Commission decided to hold a Public Hearing in the matter and accordingly a Public Notice was issued on February 13, 2009, inviting written comments and suggestions from the public and interested stakeholders by March 12, 2009.

7. Subsequently, the Commission issued the Order in Case No. 100 of 2008 on May 8, 2009 and determined the tariff for solar based power generation projects to be commissioned under Generation Based Incentive (GBI) scheme and for Non-GBI based solar power projects within the State.

8. Accordingly, the Commission vide its Notice dated July 31, 2009 scheduled the hearing in the matter on August 7, 2009; which was rescheduled to August 26, 2009, in the presence of the four consumer representatives authorised on a standing basis under Section 94(3) of the EA 2003. The Commission also directed the Petitioner to serve a copy of its Petition, along with its accompaniments, to the MSEDCL (Maharashtra State Electricity Distribution Company Ltd.), MEDA (Maharashtra Energy Development Agency) and the four authorised consumer representatives.

9. During the hearing, the Petitioner submitted that though the Commission has Suo-Motu issued its final generic Order on “Tariff for Solar based Power Generation Projects within Maharashtra under MNRE Scheme” the said Order did not address the Solar Projects, which are outside the purview of MNRE Scheme/Guidelines. The Petitioner submitted that they have approached the Commission to determine a separate Tariff for such projects, which are outside the purview of MNRE Scheme/ Guidelines.

10. In this context, the Commission observes that in its Suo-Motu Order issued in Case No. 100 of 2008 on Tariff for Solar based Power Generation Projects within Maharashtra, the Commission has determined the tariff for solar based power generation projects under GBI scheme as well as ruled on the philosophy of tariff determination for Non-GBI based solar power projects within the State. The relevant extract of the said Order (Case No. 100 of 2008) for Non-GBI based solar Power projects is given below:

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**GJ) PHILOSOPHY ADOPTED FOR TARIFF DETERMINATION OF
NON- GBI BASED SOLAR POWER PROJECTS**

23. *The competitive bidding route will be adopted for discovering the tariff for purchase of power by distribution licensees through non-GBI solar power projects.*

24. *The Commission hereby directs MSEDCL, REL, TPC-D, BEST and MPECS to submit draft Standard Bidding Documents for power procurement from Non-GBI based Solar power projects, , separately or jointly. The Commission shall initiate regulatory process for approval of proposed bidding documents thereafter.*

25. *Upon completing the regulatory process including Public Hearing on the Standard Bidding Documents, the Commission shall direct the concerned distribution licensee to undertake Competitive Bidding Process for discovering the tariff for procurement of power by distribution licensees sale of power from non-GBI Solar power plants.”*

11. Further, in the above-said Order, the Commission has approved the principles for Energy Purchase Agreement (EPA) such as EPA tenure, Approvals/consents, Evacuation facilities, purchase of energy units, billing and payment, payment security, default provisions, etc., which may be considered by licensees while formulating standard bidding documents (SBDs) for Non-GBI based solar power projects.

12. In view of the above, the Commission is not inclined to admit the present Petition as the matter raised relates to the treatment for the projects falling under non-GBI route which has already been dealt with in the Commission’s earlier Order in Case No. 100 of 2008.

13. With the above observations and ruling, the Commission disposes off the petition filed by M/s Clover Solar Pvt. Ltd. in Case No. 43 of 2009.

Sd/-
(V.L.Sonavane)
Member

Sd/-
(S.B.Kulkarni)
Member

Sd/-
(V. P. Raja)
Chairman



(Sanjay Sethi)
Secretary, MERC