

Tariffs for electricity from renewable energy sources

1651. SHRI KANWAR DEEP SINGH:

SHRI N.K. SINGH:

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether the Central Electricity Regulatory Commission has prescribed norms for determining tariffs of electricity generated from various renewable energy sources;

(b) if so, the details thereof;

(c) whether these guidelines are binding on various State Electricity Regulatory Commissions; and

(d) if not, the reasons therefor?

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH): (a) and (b) The Central Electricity Regulatory Commission (CERC) vide Petition No. 35/2012 (*Suo-Motu*) date of order 27 March 2012 has notified regulation "Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2012". The norms used in the regulation for determining the tariff of electricity generated from the renewable energy resources are summarized in the Statement (*See below*).

(c) and (d) In terms of section 61 of the Electricity Act 2003 the State Electricity Regulatory Commissions inter-alia shall be guided by the principles and methodologies specified by the Central Electricity Regulatory Commission for determination of the tariff applicable to the generating companies.

Statement*The norms for determining the tariff of electricity generated from the renewable energy resources*

Renewable energy generating stations covered	(a) Wind energy power project (b) Biomass power project with Rankine cycle technology (c) Non-fossil fuel cogeneration project (d) Small Hydro Plant (e) Solar PV/Solar thermal power project (f) Biomass Gasifier based power project (g) Biogas based power project
Control period	Effective for five years period starting from 1 April 2012 to 31 March 2017
Tariff period	- Small hydro power below 5 MW-35 years

	<ul style="list-style-type: none"> - Solar PV/solar power project- 25 years-Biomass gasifier/ biogas based power projects - 20 years -For all others-13 years
Tariff design	Generic tariff to be n determined on levellised basis for the Tariff Period and for renewable energy technologies having single part tariff with two components, tariff to be determined on levellised basis considering the year of commissioning of the project for fixed cost component while the fuel cost component is to specified on year of operation basis
Project specific tariff	For the following types of projects: <ul style="list-style-type: none"> – Municipal Solid Waste Projects; – Hybrid Solar Thermal Power plants; – Other hybrid projects
Debt Equity Ratio	70:30
Loan Tenure	12 years
Depreciation	To be allowed for upto maximum of 90% of the capital cost of the asset @ 5.83% per annum for first 12 years and the remaining depreciation spread over the remaining useful life of the project from 13th year onwards
Return on Equity	20% per annum for first 10 years, and 24% per annum from 11th year onwards
Interest rate	Average State Bank of India base rate prevalent during the first six months of the previous year plus 300 basis points
Technology specific norms	Capital cost, Capital cost indexation mechanism, plant load factor, operation and maintenance expenses, gross calorific value, station heat rate, fuel price, fuel price indexation mechanism as relevant for a specific technology has been specified in the regulation