

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Notification

Shimla, the 3rd July, 2020

No. HPERC/428.- WHEREAS the Commission has notified, on 23rd March, 2020, the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) (Fourth Amendment) Regulations, 2020 which were published in the Rajpatra, Himachal Pradesh dated 1st April, 2020 (hereinafter referred as “the draft amendment Regulations”) and also invited the objections/suggestions on the same so as to reach the Commission office on or before 6th July, 2020;

AND WHEREAS the Central Commission has notified the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020 on 23rd June, 2020;

AND WHEREAS the Commission, after having perused the RE Tariff Regulations, 2020 notified by the Central Commission for new control period on 23rd June, 2020, finds it appropriate to modify some of the provisions/parameters of draft amendment regulations already notified on 23rd March, 2020 and published in the Rajpatra, Himachal Pradesh on 1st April, 2020;

NOW, THEREFORE, in exercise of the powers conferred under sub-section (1) of section 61, sub-section(1) of section 62, clauses (a), (b) and (e) of sub-section (1) of section 86 and clause (zd) of sub-section (2) of section 181, of the Electricity Act, 2003 (36 of 2003), read with section 21 of the General Clauses Act, 1897 (10 of 1897), and all other powers enabling it in this behalf, the Commission has modified the previous proposal i.e. the draft amendment Regulations and as required by sub-section (3) of section 181 of the said Act and rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, these modifications in the draft amendment regulations are also hereby published for the information of all the persons likely to be affected thereby; and notice is hereby given that the draft amendment regulations dated 23rd March, 2020 notified in the Rajpatra, Himachal Pradesh dated 1st April, 2020, read with the modifications being notified hereunder, will be taken into consideration after the expiry of twenty one (21) days from the date of publication of this notification in the Rajpatra, Himachal Pradesh, together with any objections or suggestions, including any revision thereto, which may within the aforesaid period be received in respect thereto.

The text of the aforesaid draft amendment regulations is available on the website of the Commission i.e. <http://www.hperc.org>.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Vidyut Aayog Bhawan, Block-37, SDA Complex, Kasumpti-171009(HP).

The date of submission of objections/suggestions on the draft amendment regulations also stands extended accordingly.

Modifications in the draft amendment regulations

1. Duration of the 3rd Control Period.-

The duration of 3rd Control period shall extend from 1st April, 2020 to 30th September, 2023 instead of 1st April, 2020 to 31st March, 2025 envisaged in the draft amendment regulations already published. As such, this duration wherever mentioned in the draft amendment regulations, shall be considered as modified accordingly.

2. Modification of regulation 22-B.-

The 1st proviso of sub-regulation (1) of the draft amendment regulations shall be omitted and for the second proviso thereto, the following shall be substituted, namely.-

“Provided that the capital subsidy under the schemes of the Central or State Government or their agencies shall be adjusted in the normative capital cost and the cost so arrived, after adjustment, shall be considered for computing Debt-Equity Components for the purposes of determination of generic levelled tariffs:”

3. Modification of regulation 23-B.-

In proposed regulation 23-B of the draft amendment regulations -

(I) In sub-regulation (2), the following proviso shall be inserted, namely:-

“Provided also that debt equity ratio shall be considered after deducting, from the normative capital cost, the amount of grant or capital subsidy etc available for the project for arriving at the amount of debt and equity.”

(II) In sub-regulation (3), the following new Clause shall be inserted, namely:-

“(iv) For arriving at the amount of equity, the debt equity ratio shall be considered after deducting, from the capital cost admitted by the Commission under Regulation 15, the amount of grant or capital subsidy etc available for the project.”

4. Modification of regulation 24-B.-

For the sub-regulation (1) of the draft amendment regulations, the following shall be substituted, namely.-

“For the purpose of determination of tariff, loan tenure of 15 years shall be considered:”

3. Modification of regulation 25-B.-

In proposed regulation 25-B of the draft amendment regulations -

(I) In item(b), the following proviso shall be inserted, namely:-

“Provided that, no depreciation shall be allowed to the extent of grant or capital subsidy etc available for the project.”

(II) In item(c) of the draft amendment regulations, for the figures and sign “5.28%”, the figures and sign “4.67%” shall be substituted.

4. Modification of regulation 26-B.-

For the sub-regulation (2) of the draft amendment regulations, the following shall be substituted, namely.-

“(2) The normative Return on Equity shall be 14%. The normative Return on Equity shall be grossed up by the latest available notified Minimum Alternate Tax (MAT) rate for the first 20 years of the Tariff Period and by the latest available notified Corporate Tax rate for the remaining Tariff Period.”

5. Modification of regulation 27-B.-

In proposed regulation 27-B of the draft amendment regulations -

(I) In item(b) of sub-regulation (1) of the draft amendment regulations, for the words, figure and sign “2 (two) months”, the word and figure “45 days” shall be substituted.

(II) In item(c) of sub-regulation (2) of the draft amendment regulations, for the words, figures and sign “2 (two) months”, the word and figure “45 days” shall be substituted.

(III) In sub-regulation (4) of the draft amendment regulations, for the words, figures and sign “three hundred (300)”, the words, figures and sign “three hundred and fifty (350)” shall be substituted.

6. Modification of regulation 28-B.-

In sub-regulation (3) of draft amendment regulations, for the words “as the Commission may consider appropriate”, the words, figures and sign “of 3.84% per annum” shall be substituted.

7. Modification of regulation 30-B.-

For regulation 30-B of the draft amendment regulations, the following shall be substituted, namely.-

“(1) The due date for payment of bills shall be 45 days from the date of billing.

(2) For payment of bills of the generating company through revolving and valid letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills, a rebate of 1.5% on bill amount shall be allowed.

Explanation: In case of computation of '5 days', the number of days shall be counted consecutively without considering any holiday. However, in case the last day or 5th day is official holiday, the 5th day for the purpose of rebate shall be construed as the immediate succeeding working day.

(3) Where payments are made on any day after 5 days within a period of one month from date of presentation of bills by the generating company, a rebate of 1% shall be allowed."

8. Modification of regulation 31-B.-

In the regulation 31-B of the draft amendment regulations, for the figure "60", the figure "45" shall be substituted and for figure and sign "1.25%", the figure and sign "1.50%" shall be substituted.

9. Modification of regulation 34-B.-

For the table appearing in sub-regulation(1) of the draft amendment regulations, the following table shall be substituted, namely.-

Sr. No.	Category of small hydro project	Rupees (in Lac) per MW of the installed capacity.
(i)	Above 100 kW to 2 MW capacity	1100
(ii)	Above 2 MW but below 5 MW capacity	1100
(iii)	5 MW to 25 MW capacity	1100

10. Modification of regulation 35-B.-

For the clauses (i), (ii) and (iii) under sub-regulation (1) of the draft amendment regulations, the following shall be substituted, namely.-

"(i) the normative annual capacity utilisation factor (CUF), net of 13% free power (including 1% contribution towards the Local Area Development Fund (LADF)), shall be 47.85% for all the small hydro projects upto 25 MW. The number of hours in a year for calculations of CUF shall be 8766;

(ii) the quantum of normative annual saleable energy worked out for the installed capacity of the project at the normative CUF under preceding clause (i) shall be reduced by 1.7%, to account for the auxiliary consumption, transformation losses and the losses in the project line(s) at the normative rates as per regulations 37-B and 38-B, to arrive at the normative saleable energy at the interconnection point;

(iii) the generic levellised tariff determined on the basis of the normative saleable energy at the interconnection point as per the preceding clause (ii) shall be deemed to have accounted for total free power of 13% (including 1% contribution towards the Local Area Development Fund (LADF));

Provided that in case where the generic levelled tariff is to be determined for a free power structure which is at variance from the above, the net saleable energy shall be adjusted suitably after taking into account the free power structure corresponding to which such tariff is to be determined.”

11. Modification of regulation 39-B.-

For the table appearing in sub-regulation(1) of the draft amendment regulations, the following table shall be substituted, namely.-

Sr. No.	Installed capacity of SHP	Annual O&M expenses in Rupees (in Lac) per MW of installed capacity
(i)	Above 100 kW to 2 MW capacity	41.78
(ii)	Above 2 MW but below 5 MW capacity	41.78
(iii)	5 MW to 25 MW capacity	31.34

12. Other provisions-

All other provisions of the draft amendment regulations, published in the Rajpatra, Himachal Pradesh on 1st April, 2020, shall remain unchanged.

By order of the Commission

Sd/-
Secretary