

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA**

**CORAM: Sh. Devendra Kumar Sharma, Chairman  
Sh. Yashwant Singh Chogal, Member (Law)  
Sh. Shashi Kant Joshi, Member**

**Date of Order: 14.02.2024**

IN THE MATTER OF

**Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) (Third Amendment) Regulations, 2024.**

**ORDER**

The Himachal Pradesh Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010, in the Rajpatra, Himachal Pradesh on 3<sup>rd</sup> June, 2010 (hereinafter referred to as “the said Regulations”). The said Regulations were amended by way of 1<sup>st</sup> and 2<sup>nd</sup> amendments notified on 10.12.2012 and 16.08.2021 respectively in the Rajpatra, Himachal Pradesh.

2. In order to provide impetus to the smaller capacity of Renewable Energy projects, particularly solar PV projects installation in the State in distributed generation mode, the Commission proposed further to amend the said Regulations by way of third amendment.
3. As required under Sub-section (3) of the Section 181 of the Act, the Commission invited public objections and suggestions by way of insertion a public notice in two News papers i.e. “Hindustan Times” and “Amar Ujala” on 16<sup>th</sup> December, 2023 under Rule (3) of Electricity (Procedure of Previous Publication) Rules, 2005 and the full text of the draft amendment Regulations was also made available on the Commission’s website: [www.hperc.org](http://www.hperc.org). The last date for filing objections/suggestions was 15<sup>th</sup> January, 2024.
4. The Commission, vide letter dated 19.12.2023 also requested the major stakeholders, including State Government, HP Power Transmission Corporation Limited (HPPTCL), HP State Load Dispatch Centre (HPSLDC) and Distribution Licensee to send their objections/suggestions as per the aforesaid public notice.

5. The Commission received suggestions/objections from the following stakeholders on the third draft amendment Regulations:-

- (i) The Himachal Pradesh Transmission Corporation Limited (HPPTCL), Tutikandi, Panjari, Shimla-171005(HP).
- (ii) The Himachal Pradesh State Electricity Board Limited (HPSEBL), Vidyut Bhawan, Shimla-171004.
- (iii) Himachal Pradesh State Load Despatch Centre (HPSLDC), SLDC Complex, Kangra Rd, Totu, Shimla-171011(HP).

**6. Consideration of written submissions made by the stakeholders and Commission's views.-**

The Commission now proceeds to consider the objections/suggestions received and to conclude its views on various related issues, as follows:-

**(i) Comments/Suggestions of HPPTCL and HPSLDC:-**

The HPPTCL and HPSLDC submitted written submissions that they have no objection/ suggestion on the proposed 3<sup>rd</sup> amendment of Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010.

**(ii) Comments/suggestions of HPSEBL:-**

The Distribution Licensee i.e. HPSEBL has submitted that the connectivity fee for solar PV and Biomass Project(s) upto 1 MW may not be exempted as the feasibility study for these projects exclusively involves the distribution system of the HPSEBL. The connectivity fee as notified vide the 2<sup>nd</sup> amendment of HPERC (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010 for such capacity may be retained.

Further, the stakeholder submitted that in order to encourage and also for financial viability of solar PV and Biomass Project(s) upto 1 MW in the State, this connectivity fee may be passed on by the Commission in the Multi Year Tariff for that year.

The Distribution Licensee has also submitted that in addition to the above suggestion, the CAPEX required for up-gradation of distribution system/ network for evacuation of power from these generators may be allowed in advance to the HPSEBL.

**Commission's view:-**

- (i) The Commission has gone through the submissions carefully. The Commission is of the view that in order to provide impetus to the smaller capacity of Renewable Energy projects, particularly solar PV projects

installation in the State in distributed generation mode in a sustainable manner may require exemption not only in the application fee for connectivity but also other exemption such as registration fee for registering the project with the authorized Agency. Most of the smaller capacity solar PV project shall sell their power to the Distribution Licensee i.e. HPSEBL which may help the licensee in fulfillment of its distributed renewable energy obligations.

- (ii) As far as the pass through of connectivity fee in the ARR is concerned, the fee recovery on account of grant of connectivity is a part of non-tariff income of licensee which is duly taken into account in the respective tariff order.
- (iii) In cases where the up-gradation of distribution infrastructure on account of solar PV power evacuation is required, the licensee may include such proposal in its business plan (CAPEX) as per the provisions of the relevant Regulations.

Accordingly, the Commission decides to retain the proposed provision in the final amendment.

- 7. The Commission is also of the view that the period of 120 days specified for processing the case of long term open access, where the augmentation of the transmission/distribution is not required is too long and need further rationalization. The Commission, therefore, decides that the same shall be reduced to 60 days.

In view of the forgoing, the Commission, after concluding its views on the objections and suggestions received on the draft amendment Regulations, decides to finalize and notify the Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) (Third Amendment) Regulations, 2024 by incorporating the changes on above lines as may be considered necessary accordingly.

Place: Shimla.

Date: 14.02.2024

Sd/-  
(Shashi Kant Joshi)  
**Member**

Sd/-  
(Yashwant Singh Chogal)  
**Member (Law)**

Sd/-  
(Devendra Kumar Sharma)  
**(Chairman)**