



Suo-Motu P No 37 of 2018(M)

In the Matter of:

Connectivity with distribution licensees and registration charges by SLDC for the solar rooftop PV projects

Respondents:

1. Chhattisgarh State Power Distribution Co Ltd.
2. Chhattisgarh State Renewable Energy Development Agency
3. Chhattisgarh State Load Dispatch Center
4. SAIL-BSP (Distribution licensee)
5. Jindal Steel & Power Ltd – (Distribution business)
6. Chief Electrical Inspector

PRESENT : **Narayan Singh, Chairman**
: **Arun Kumar Sharma, Member**

DRAFT ORDER

(Issued on 04.06.2018)

1. The Commission has notified Chhattisgarh State Electricity Regulatory Commission (Determination of tariff for procurement of power from Rooftop PV Solar Power Projects by distribution licensees of State) Regulations, 2013 and its subsequent amendments in 2016 (in short, CSERC Rooftop PV Solar Power Regulations, 2013 and its amendments) specifying the terms and conditions of tariff for procurement of power from rooftop PV solar power projects by distribution licensees of the State.
2. Subsequently the Commission after due regulatory process approved standard draft power purchase agreement (PPA) to be

entered by distribution licensees with existing and upcoming roof top solar projects.

3. In the past, the Commission vide Interim Order dated October 29, 2014, has specified connectivity charges with distribution licensees and registration fee with Chhattisgarh State Load Dispatch Center (SLDC). Relevant para of the Interim Order is reproduced below:

"Conclusion:

- I. *Connectivity charges for Solar PV plant of capacity 50 kW to 100 kW shall be Rs. 10000/-.*
- II. *Connectivity charges for Solar PV plant of capacity 101 kW to 500 kW shall be Rs. 20000/-.*
- III. *Connectivity charges for Solar PV plant of capacity 501 kW to 1000 kW shall be Rs. 40000/-.*
- IV. *Registration fee with SLDC shall be Rs. 1000/- for Solar PV plant of capacity up to 1000 kW.*

Till the time registration fee and charges for connectivity are specified for smaller capacity of renewable category of plants, provisional charges as approved above shall remain applicable and differences from notified charges if any are to be borne by the either party."

4. While issuing Interim Order, the Commission also directed for initiating due regulatory process for fixing the charges for smaller capacity of renewable category of plants.
5. Chhattisgarh State Renewable Energy Development Agency (CREDA), vide its letter 28246 dated 26.02.2018, has submitted that the Commission vide Gazette notification dated 16.06.2016 reduced the mini capacity for grid connectivity as 10 kW however

the Commission has not specified connectivity and SLDC registration charges. CREDA has proposed these charges as follows;

Solar project Capacity	Connectivity Charges	SLDC Registration charges	Total payable by the Consumer
10kW-50kW	Rs. 1000/-	Rs. 100/-	Rs. 1100/-

Legal Framework

6. The Electricity Act, 2003, the National Electricity Policy and the Tariff Policy specifies for promotion of renewable energy technologies by suitable connectivity measures.

Section 86(1)(e) of EA 2003 mandates the State Commission (SERC) as follows (emphasis added):

"promote Co-generation and generation from Renewable sources of energy by providing suitable measures for connectivity to the Grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of total consumption of electricity in the area of distribution licensee."

National Electricity Policy (NEP) specifies as follows for development of renewable energy sector in the country (emphasis added):

"5.12.2 The Electricity Act 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Such percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs at the earliest. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions.

Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies.”

7. As per Forum of Regulators (FOR) report on policies on renewable published on November 2008, non-conventional energy sources are environment friendly and green and should therefore be promoted. The responsibility of promoting non-conventional energy sources has been entrusted to the Commission in section 61 and in particular to the State Commissions under section 86(1)(e) of the Act. Recommendations of the FOR report is reproduced below;

"7.5.1 After considering the above comments and suggestions, the Working Group recommended as follows:

Recommendations

7.5.2 Technical standards for providing grid connectivity for RE-based power stations should be developed expeditiously. The FOR recommends that the CEA should undertake development of such standards through its Grid Connectivity Regulations. Connectivity standards for solar PV and solar thermal power projects, for both grid connected and rooftop systems, should also be formulated.

7.5.3 Grid connectivity should be optimally provided by transmission licensees and distribution licensees for RE sources, through their capex plans submitted to the appropriate commissions for approval. The recovery of costs of transmission and evacuation infrastructure for RE sources should be addressed through the regulatory process of approval of ARR of transmission or distribution licensee. The transmission charges should be computed in a rational manner, ensuring that initial projects in an area are not burdened by the total cost of network expansion. It is further recommended that the concessional transmission charges could be levied on RE being sold within the State keeping in view the spirit of the EA for promoting RE.

7.5.4 A separate co-ordination mechanism should be established for RE in SLDCs and STUs to ensure smoother operations and grid integration of RE sources, while also including the creation and maintenance of databases regarding future RE projects.”

8. Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2016 (in short CSERC RPO-REC Regulations 2016) also specifies for priority for grid connectivity. Relevant para of the CSERC RPO-REC Regulations 2016 is reproduced below;

"10 Priority for Grid Connectivity

10.1 Any person generating electricity from renewable energy sources, irrespective of installed capacity, shall have priority for open access, connectivity with distribution system or transmission system as the case may be. On an application from such person, the transmission licensee or distribution licensee, as the case may be, shall provide appropriate interconnection facilities, as far as feasible, before commissioning of the renewable energy project. Such interconnection shall follow the grid connectivity standards as specified in the Indian Standard Grid Code, State Grid Code and/or the manner prescribed by the Central Electricity Authority."

9. The commission has been promoting the renewable energy based generators by providing preferential tariff, specifying renewable purchase obligations for the distribution licensees as per the mandate in the EA 2003. Also priority for grid connectivity has been specified. The connectivity fee specified in the Chhattisgarh State Electricity Regulatory Commission (Connectivity and Intra-State Open Access) Regulations, 2011 (in short, CSERC OA Regulations 2011) for seeking connectivity at distribution licensee system is (i.e. Rs 2 Lakh) for large size generating company or captive generating

plant (CGP) i.e. 1 MW and above. Connectivity fee for the renewable energy based plants specially smaller plants i.e. 1 MW and below are not specified in the CSERC OA Regulations 2011.

Proposed Charges

10. Looking into the mandate in the Act 2003, recommendations of FOR and to expedite connectivity of smaller Solar PV plants i.e. below 1 MW, charges for connectivity with the distribution licensee for renewable plant capacity up to 1 MW is proposed as follows;

- I. Solar PV plant of 10 kW to 50 kW – Rs. 1000/-
- II. Solar PV plant of 50 kW to 100 kW – Rs. 10000/-
- III. Solar PV plant of 101 kW to 500 kW – Rs. 20000/-
- IV. Solar PV plant of 501 kW to 1000 kW – Rs. 40000/-

11. Also registration fee (Rs. 2 lakh) specified in the Chhattisgarh State Electricity Regulatory Commission (Fees and charges of State Load Despatch Centre and other related matters) Regulations, 2012 are for grid connectivity for the large size renewable power plants i.e. above 1 MW. This charge is not for the smaller renewable plants/rooftop solar plants (1 MW and below).

Registration of the roof top solar plants is required at SLDC just for information purpose at single point to know about capacity and no of such plants accordingly same proposed as Rs 1000/-.

12. Installation of simple import/export meter with class 1 or class 0.5 accuracy is permitted depending upon the connectivity voltage level as specified in CSERC Rooftop Regulations 2013.

CEI is also advised to co-operate CSPDCL/CREDA/solar developers in this endeavor.

13. Comments /suggestions of the stakeholders on the above proposal are invited by 27.06.2018 and hearing will be held on 30.06.2018 at 03:30 PM at the Commission's courtroom.

(Arun Kumar Sharma)
MEMBER

(Narayan Singh)
CHAIRMAN