

KERC/S/03/1/62

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052.

Order dated: 22nd May,2020

Present:

Shri Shambhu Dayal Meena .. Chairman
Shri H.M. Manjunatha .. Member
Shri. M.D. Ravi .. Member

In the matter of:

Extension of Tariff Order dated 1st August,2019 for Solar Power Projects
(including Solar Rooftop Photovoltaic Projects) for FY21.

1. Preamble:

- a. Section 86(1)(e) of the Electricity Act, 2003, mandates the State Electricity Regulatory Commissions to promote generation of electricity from renewable sources of energy. Accordingly, the Karnataka Electricity Regulatory Commission has been promoting generation of power from renewable sources, by determining the feed-in-tariff (generic tariff) periodically, based on the normative operational and financial parameters for different control periods from the year 2005 onwards. This approach of the Commission has enabled creation of a favourable environment for investment in Renewable Energy (RE) projects in the State, ensuring the



investors to get reasonable returns on their investments. As a result, the State has made substantial progress in Wind and Solar capacity addition.

- b. The Commission, vide its Order dated 01.08.2019 had determined a levelized tariff for grid connected megawatt scale solar power projects of less than 5MW capacity at Rs.3.08 per unit; for grid connected Solar Rooftop Photovoltaic projects of 1kW to 2000kW at Rs. 3.07 per unit (without capital subsidy) and at Rs.2.32 only per unit (with capital subsidy); and for grid connected Solar Rooftop Photovoltaic projects of 1kW to 10 kW for domestic consumers at Rs.3.99 per unit (without capital subsidy) and at Rs.2.97 per unit (with capital subsidy); applicable for the life of the projects, i.e. for 25 years. These tariffs were applicable to all such new solar power projects for which PPAs are entered into and approved by the Commission, after the date of issue of the said Order and also those which achieved commercial operation on or after 01.04.2019. This Order was in force till 31.03.2020.

2. Current Status of installed capacity of Solar Projects:

As on 31.01.2020, the State has an installed Solar Power Generation capacity of 5735.14MW (Source from KREDL) in both Grid Connected ground mounted solar photovoltaic and rooftop solar photovoltaic plants. However, it is noticed that, the investment in solar rooftop installations is not encouraging, as could be seen from the fact that, out of the above capacity, the installed capacity of SRTPV plants is only 240.14 MW (Source from KREDL) and as on March 2020. No bids have been called by the KREDL for ground mounted projects.

3. Tariff for FY 21:

As on date, the module cost has come down drastically and thereby the project cost will also come down correspondingly. Based on the reduced capital cost,



if the tariff is revised, the investment in solar roof top installations is likely to be hit and would not be encouraging, as could be seen from the fact that during 2020 only 240.14MW solar roof top units have been commissioned as against the target of 2400 MW to be achieved by 2022.

In view of the above situation, the Commission has examined the pro& cons of revision of tariff and has come to the conclusion to continue with the existing tariff as determined in its Order dated 01.08.2019 for a period of one year, from 01.04.2020 to 31.03.2020, in order to encourage the Solar Projects including the solar roof top installation.


4. Hence, the following Order:

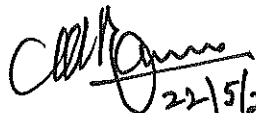
ORDER

- i. The validity of Commission's Order dated 01st August,2019 in the matter of determination of tariff for Solar Power Projects (including Solar Rooftop Photovoltaic Projects) for FY21, is ordered to be extended for a further period of One year from 1st April, 2020 to 31st March, 2021.
- ii. The above tariff shall be applicable to all such new solar projects for which PPAs are entered into on or after 01.04.2020 and approved by the Commission after the date of issue of this Order, that achieve commercial operation on or after 01.04.2020.
- iii. The other contents of the Order remain un-altered.
- iv. This Order shall be in force with effect from 1st April ,2020 and till 31st March,2021.

This Order is signed and issued by the Karnataka Electricity Regulatory Commission on this 22nd day of May, 2020.


(SHAMBHU DAYAL MEENA)
CHAIRMAN 22/5/2020


(H.M.MANJUNATHA)
MEMBER 22/5/2020.


(M.D. RAVI)
MEMBER