

# Draft Chhattisgarh Renewable Energy Tariff Regulations - 2017

## HIGHLIGHTS

<b>Tariff Period</b>	13 years for projects having COD after April 1, 2017. 5 years for projects having COD before April 1, 2012.	
<b>Control Period</b>	April 1, 2017 to March 31, 2020.	
<b>Useful Life of a Plant</b>	<b>Technology</b>	<b>No. of Years</b>
	Non-fossil fuel based cogeneration, biomass based on Rankine cycle, MSW/RDF	20
	Wind, solar PV, solar thermal	25
	Small hydro	35
<b>Technology-wise net Tariff</b>	Not Available	

<b>Capital Cost</b>	<b>Technology</b>	<b>Capital Cost (Rs.lakhs/MW)*</b>
	Wind	Project specific
	Small hydro below 5 MW	779†
	Small hydro (5 MW to 25 MW)	707†
	Biomass based on Rankine cycle technology	Project specific
	Non-fossil fuel cogeneration	492.5
	Solar PV	Project specific
	Solar thermal	Project specific
	MSW/RDF	Project specific
	† Capital cost is for FY 2017-18. Capital cost for subsequent years for projects to be commissioned in each subsequent year shall be as per central commission's notification/order. For small hydro projects, solar PV projects capital cost for plants commissioned before April 1, 2012 will be governed through respective approved orders of the commission.	
<b>Operation and Maintenance (O&amp;M) Expenses</b>	<b>Technology</b>	<b>O&amp;M Cost (Rs.lakhs/MW)*</b>
	Wind	Project specific
	Small hydro below 5 MW	29
	Small hydro (5 MW to 25 MW)	21
	Biomass based on Rankine cycle	40
	Non-fossil fuel cogeneration	21.13
	Solar PV	Project specific
	Solar thermal	Project specific
	MSW/RDF	Project specific
	*O&M costs for small hydro, biomass and non-fossil fuel based cogeneration are for FY 2017-18. • O&M cost is escalated at 5.72% per annum.	
<b>Interest Rate on Loans</b>	<ul style="list-style-type: none"> <li>• State bank of India marginal cost of funds based lending rate (MCLR) (one year tenor) prevalent on October 1st of the previous year plus 200 basis points.</li> <li>• If existing biomass plants having long term PPA with state DISCOM for which commission has determined preferential tariff opt for project specific tariff loan and finance charges shall be as per relevant orders.</li> </ul>	

<b>Depreciation</b>	5.28% for first 13 years and remaining depreciation spread over residual useful life of the project.
<b>Return on Equity</b>	<ul style="list-style-type: none"> <li>• 14% grossed up by prevailing minimum alternative tax as on 1st April of the previous year</li> <li>• If existing biomass projects having long term PPA with state DISCOM for which commission has determined preferential tariff opt for project specific tariff or the beneficiary/licensee opt for project specific tariff RoE will be considered as per relevant order read with provisions 3 of the current regulations.</li> </ul>
<b>Interest on Working Capital</b>	Equivalent to state bank of India marginal cost of funds based lending rate (one year tenor) prevalent on October 1st of the previous year plus 300 basis points.

## OTHER PROVISIONS

<b>Tariff structure and design</b>	Generic,levellised, single part tariff for the tariff period.
<b>Merit Order Despatch Principle</b>	<ul style="list-style-type: none"> <li>• Scheduling and deviation shall be as per intrastate ABT/deviation settlement mechanism/UI regulations notified by the commission</li> <li>• Netting of energy for plants supplying power to distribution licensee would be permitted on monthly basis against the import of start up power from the grid.</li> <li>• Banking of energy is allowed for three months against a banking charge of 2% of energy per month.</li> </ul>
<b>Subsidy or/and Incentives by central or state government</b>	Any incentive or subsidy provided by the central or state government, including accelerated depreciation benefit, would be taken into consideration for determination of project specific tariff.
<b>Rebate</b>	<ul style="list-style-type: none"> <li>• 2% - for payment through letter of credit.</li> <li>• 1% - for payments not through letter of credit but within 1 month from the date of presentation of bills.</li> </ul>
<b>Late payment surcharge</b>	1.25% per month for payment of bills beyond 60 days from the date of billing.

<b>Links</b>	<a href="http://cserc.gov.in/regulations.php?r_type=Draft">http://cserc.gov.in/regulations.php?r_type=Draft</a>
<b>References</b>	<a href="http://cserc.gov.in/admin/upload_regulation/071117_063652_.pdf">http://cserc.gov.in/admin/upload_regulation/071117_063652_.pdf</a>