

# JERC Grid Connected Solar Power Regulations - 2015

## HIGHLIGHTS

<b>Tariff Period</b>	25 years from the date of commercial operation or date of signing the PPA, whichever is later.									
<b>Control Period</b>	3 years.									
<b>Useful Life of a Plant</b>	25 years.									
<b>Technology-wise Net Tariff (Rs./kWh)</b>	<b>kW</b>	<b>Subsidy</b>	<b>FY 2016-17</b>				<b>FY 2017-18</b>			
			<b>Non-island</b>		<b>Island</b>		<b>Non-island</b>		<b>Island</b>	
			<b>w/o AD</b>	<b>With AD</b>	<b>w/o AD</b>	<b>With AD</b>	<b>w/o AD</b>	<b>With AD</b>	<b>w/o AD</b>	<b>With AD</b>
	1-10	0%	9.19	8.71	11.15	10.55	8.57	8.13	10.38	9.83
		30%	6.89	6.55	NA		6.46	6.15	NA	
		70%	NA		4.42	4.24	NA		4.19	2.02
	11-100	0%	9.08	8.6	11.04	10.45	8.47	8.04	10.18	9.64
		30%	6.81	6.48	NA		6.39	6.09	NA	
		70%	NA		4.39	4.21	NA		4.16	3.99
	101-500	0%	8.86	8.40	10.83	10.24	8.27	7.85	10.08	9.55
		30%	6.66	6.34	NA		6.25	5.95	NA	
		70%	NA		4.32	4.15	NA		4.10	3.94
	>501	0%	8.72	8.26	10.66	10.09	8.14	7.73	9.93	9.40
		30%	6.56	6.24	NA		6.16	5.87	NA	
		70%	NA		4.27	4.10	NA		4.05	3.89

	kW	Capital Cost (in Rs./kW) (Figures in thousands)			
		FY 2016-17		FY 2017-18	
		Non-island	Island	Non-island	Island
		Capital Cost	1-10	70.00	88.00
	11-100	69.00	86.00	63.48	79.12
	101-500	67.00	85.00	61.64	78.20
	>501	65.70	83.49	60.44	76.81
<b>Operation and Maintenance Expenses (O&amp;M)</b>	<ul style="list-style-type: none"> <li>• Shall be decided by the Commission while determining the tariff for a specific financial year.</li> <li>• First year's expenses shall be escalated at the rate of 5.72% per annum from second year onwards.</li> </ul>				
<b>Interest Rate on Loans</b>	Average State Bank of India base rate prevalent during the first six months of the previous year plus 300 basis points.				
<b>Depreciation</b>	Depreciation rate for the first 12 years shall be 5.83% of capital cost per annum, and the remaining depreciation shall be spread over the residual useful life of a project.				
<b>Return on Equity</b>	<ul style="list-style-type: none"> <li>• Pre-tax 20% per annum for the first ten years.</li> <li>• Pre-tax 24% per annum from 11th year onwards.</li> </ul>				
<b>Interest on Working Capital</b>	Average State Bank of India base rate prevalent during the first six months of the previous year plus 350 basis points.				

## OTHER PROVISIONS

<b>Tariff structure and design</b>	Single part, levellised tariff.
<b>Merit Order Despatch principles</b>	All grid-connected plants are 'must run' plants.
<b>Subsidy or/and Incentive by government</b>	The order for FY 2016-17 does not consider any other subsidy or incentive, including accelerated depreciation benefit, available from central or state government other than specified above.
<b>Rebate</b>	<ul style="list-style-type: none"> <li>• 2% - for payment through Letter of Credit or any banking instrument within 5 working days of presentation of bills.</li> <li>• 1% - for payment through Letter of Credit or any banking instrument within 30 working days of presentation of bills.</li> </ul>

<b>Late payment surcharge</b>	1.25% of billed amount per month, calculated on daily basis, for payment of bills beyond 30 days from the date of presentation of bills.
<b>Links</b>	<a href="http://jercuts.gov.in/ViewData/MultipleArchive?mid=30547">http://jercuts.gov.in/ViewData/MultipleArchive?mid=30547</a>
<b>References</b>	<a href="http://jercuts.gov.in/writereaddata/UploadFile/SPGREGULATIONFINALJUNE_1848.pdf">http://jercuts.gov.in/writereaddata/UploadFile/SPGREGULATIONFINALJUNE_1848.pdf</a> <a href="http://jercuts.gov.in/writereaddata/UploadFile/SOLARTARIFF_1102.pdf">http://jercuts.gov.in/writereaddata/UploadFile/SOLARTARIFF_1102.pdf</a>

### Provisions Related to Net Metering

<b>Energy accounting and settlement</b>	<ul style="list-style-type: none"> <li>• <b>Net Metering:</b> <ul style="list-style-type: none"> <li>- Excess electricity injection into the grid shall be carried forward to the next billing cycle.</li> <li>- Invoice will be raised for net electricity consumption after adjusting for any electricity credit from previous billing cycles.</li> <li>- For time of day tariff, electricity consumption in a given time block will be first adjusted against generation in the same time block and excess generation shall be adjusted against consumption in off peak time block.</li> </ul> </li> <li>• <b>Gross Metering:</b> <ul style="list-style-type: none"> <li>- Shall be based on the billing cycle of the consumer.</li> <li>- For entities with no consumer connection, the billing will be on bi-monthly basis.</li> </ul> </li> </ul>
<b>Banking and cross subsidy</b>	Exempted from charges in respect of banking, wheeling and cross subsidy for use of electricity within the respective territories.