

Maharashtra Renewable Energy Tariff Orders - 2017

HIGHLIGHTS

Tariff Period	Technology	No. of Years
	Wind, solar PV, small hydro (5 MW to 25 MW), biomass, cogeneration.	13
	Solar thermal	25
	Small hydro (1 MW to 5 MW).	35
Control Period	April 1, 2016 to March 31, 2017	
Useful Life of a Plant	Technology	No. of Years
	Biomass, cogeneration.	20
	Wind, solar.	25
	Small hydro project	35

Technology-wise Net Tariff	Technology	Net Tariff (in Rs./kWh)
	Wind Zone - 1	4.94
	Wind Zone - 2	4.33
	Wind Zone - 3	3.63
	Wind Zone - 4	3.39
	Small hydro project (above 1 MW and up to and including 5 MW).	4.26
	Small hydro project (above 5 MW and up to and including 25 MW).	3.68
	Biomass projects	7.71
	Non-fossil fuel based cogeneration.	6.49
	Solar PV	5.41
	Solar thermal	10.17
Capital Cost	Technology	Capital Cost (in Rs. lakh/MW)
	Wind	608.85
	Small hydro project (above 1 MW and up to and including 5 MW).	613.45
	Small hydro project (above 5 MW and up to and including 25 MW).	558.13
	Biomass projects	500.88
	Non-fossil fuel based cogeneration	495.51
	Solar PV	530.02
	Solar thermal	1200.00

Operation and Maintenance (O&M) Expenses	Technology	O&M Cost (in Rs. lakh)
	Wind	9.09
	Small hydro project (above 1 MW and up to and including 5 MW).	22.43
	Small hydro project (above 5 MW and up to and including 25 MW).	15.88
	Biomass projects	27.08
	Non-fossil fuel based cogeneration	17.82
	Solar PV	13.38
	Solar thermal	15.44
Interest Rate on Loans	12.54%	
Depreciation	5.83% for first 12 years and remaining depreciation spread over the residual useful life of the plant.	
Return on Equity	<ul style="list-style-type: none"> • For first 10 years - 20.34%. • From 11th year onwards - 24.47%. 	
Interest on Working Capital	13.04%	

OTHER PROVISIONS

Tariff Structure and Design	Generic, single part, levellised tariff.
Merit Order Dispatch Principle	<ul style="list-style-type: none"> • Renewable energy power projects, except biomass and cogeneration projects, are treated as “MustRun” projects. • Biomass and cogeneration projects shall be subject to scheduling and dispatch code as per State Grid Code.
Subsidy or/and Incentives by government	The Commission shall take into consideration any grant, subsidy or incentive offered by the central or state government or their agencies, including accelerated/additional depreciation benefit, while determining tariff.

Rebate	<ul style="list-style-type: none"> • 2% - for payment through letter of credit. • 1% - for payment not through letter of credit, but within 1 month from the date of presentation of bills.
Late payment surcharge	1.25% per month for payment of bills beyond a period of 60 days from the date of billing.
Links	http://www.mercindia.org.in/Regulations.htm http://www.mercindia.org.in/Orders_2016.htm
References	http://www.mercindia.org.in/pdf/Order%2058%2042/MERC(TandC%20for%20Determination%20of%20RE%20Tariff)%20Regulations,%202015%20.pdf http://www.mercindia.org.in/pdf/Order%2058%2042/Order-45%20of%202016-29042016.pdf