

Sikkim Renewable Energy Tariff Regulations

HIGHLIGHTS

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| Technology wise Net Tariff | -- | |
| Tariff Period | Technology | Year |
| | Wind | 13 |
| | Small hydro below 5 MW | 35 |
| | Small hydro (5 MW to 25 MW) | 13 |
| | Solar PV projects, solar thermal projects | 25 |
| | Biomass, biomass gasifier, biogas | 20 |
| | Non-fossil fuel based cogeneration | 13 |
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| Control Period | 3 financial years, final year of which will be FY 2014-15. If regulations for next control period is not notified until the commencement of the next control period, these regulations prevail. | |
| Useful Life of a Plant | Technology | Year |
| | Wind, solar PV, solar thermal | 25 |
| | Small hydro | 35 |
| | Biomass with Rankine cycle technology, biomass gasifier, biogas, non-fossil fuel based cogeneration | 20 |
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| Capital Cost | Technology | Capital Cost (in Rs. lakh/MW) |
| | Wind | 575.00 |
| | SHP below 5 MW | 770.00 |
| | SHP between 5 MW and 25 MW | 700.00 |
| | Solar PV | 1000.00 |
| | Solar thermal | 1300.00 |
| | Biomass with Rankine Cycle Technology | 445.00 |
| | Biomass Gasifier | 550.00 |
| | Biogas | 1100.00 |
| | Non fossil fuel based cogeneration | 420.00 |
| | All capital costs are for FY 2012-13, and subject to indexation formula as given in regulation. | |
| Operation and Maintenance (O&M) Expenses | Technology | O&M Expenses (in Rs. lakh/MW) |
| | Wind | 9.00 |
| | SHP below 5 MW | 25.00 |
| | SHP between 5 MW and 25 MW | 18.00 |
| | Solar PV | 11.00 |
| | Solar thermal | 15.00 |
| | Biomass with Rankine Cycle Technology | 24.00 |
| | Biomass Gasifier | 40.00 |
| | Biogas | 40.00 |
| | Non fossil fuel based cogeneration | 16.00 |
| | <ul style="list-style-type: none"> • O&M Expenses are for FY 2012-13 • O&M Expenses shall be escalated at the rate of 5.72% per annum | |
| Interest Rate on Loans | State bank advance rate prevalent during the previous year plus 150 basis points | |

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| Depreciation | 5.83% for first 12 years and remaining depreciation spread over remaining useful life of the project from 13 th year onwards |
| Return on Equity | <ul style="list-style-type: none"> • Pre-tax 20% per annum for the first 10 years. • Pre-tax 24% per annum 11th year onwards. |
| Interest on Working Capital | Average State bank of India base rate prevalent during first six months of previous year plus 350 basis points. |

OTHER PROVISIONS

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| Tariff Structure and Design | Generic, single part, levellised tariff |
| Merit Order Dispatch Principle | <ul style="list-style-type: none"> • All renewable energy plants except biomass plants with capacity of 10 MW and above shall not be subject to merit order dispatch principle. • Biomass power plants with capacity of 10 MW and above shall be subject to scheduling and dispatch as specified in the state grid code regulations. • Wind power plants with sum of generation capacity of 10 MW and above and connected at 33 KV and above shall be subject to scheduling and dispatch. • Solar power plants with capacity of 5 MW and above and connected at 33 KV and above shall be subject to scheduling and dispatch. |
| Subsidy or/and Incentives by Government | <ul style="list-style-type: none"> • The commission shall take into account any subsidy or incentive offered by the central or state government including accelerated depreciation if availed in time of determination of tariff. • In case generation based incentive is notified for a particular project the same shall be deducted from tariff of such generating stations. |
| Rebate | <ul style="list-style-type: none"> • 2% for payment through letter of credit • 1% for payments not through letter of credit within a period of one month from presentation of bills. |
| Late Payment Surcharge | • 1.25% per month for payments beyond a period of 60 days from the date of billing |
| Links | http://www.sserc.in/final_regulations |
| References | http://www.sserc.in/draft-regulations/sikkim-state-electricity-regulatory-commission-terms-and-conditions-determinatio-1 |