Bihar Draft Mini-Grid Regulations - 2016

HIGHLIGHTS

Extent of Application	• For new and existing mini-grid projects supplying electricity to rural consumers in Bihar • Capacity up to 1000 kW
Operational Framework	• The Commission shall determine feed-in-tariff for purchase of electricity generated in a mini-grid RE sources by a distribution licensee. • Feed-in-tariff shall be based on cost plus assured returns for the generation scheme. • The Commission shall be guided by the principles and methodologies specified by national electricity policy, tariff policy, rural electrification policy while deciding terms and conditions for tariff determination. • Distribution licensee and mini-grid operator (MGO) shall enter into Franchisee Agreement in line with terms and conditions outlined under Model Franchisee Agreement approved by Commission. • Mini grid operator shall develop the public distribution network (PDN) and maintain it till the grid reaches. • On extension of grid, distribution licensee shall take over the asset at book value of the asset as on 31st March of last financial year provided PDN conforms to the standards of DISCOM’s system. • Consequent upon take over of PDN, distribution licensee can opt for any of the following options – - Distribution licensee shall distribute and supply power and the Franchisee Agreement shall stand terminated from the date of take over. - MGO shall continue to distribute and supply electricity and the Franchisee Agreement shall remain in force except that asset fee from date of take over shall be discontinued. - The power purchase agreement shall continue MGO shall receive feed-in-tariff from the licensee.

Contractual Framework	• Distribution licensee being satisfied that the public interest requires so may terminate franchisee and power purchase agreement with the MGO. • In case of termination, the licensee and MGO will follow process specified in respective agreements. - The distribution licensee shall take over assets of MGO at book value provided that assets are operational and in conformity with standards of DISCOM. - MGO along with authorized representative of the licensee shall note down joint meter reading on 5th of every month. - Authorized representative of the licensee shall verify JMR by 1st week of each month. - MGO shall submit invoices to the Executive Engineer of the Division before 10th of every month. - Within two weeks of submission of invoices FIT shall be paid to the project developer. - MGO shall submit invoices to the DISCOM for Franchisee fee and Collection fees as per Franchisee Agreement. - Within 2 weeks of submission of invoices Franchisee Fee shall be paid to the MGO. - Metering shall be done at generation and consumer end. - The installation and operation of meters shall be done in conformity with regulations of CEA.
Payment and Dispute Resolution	• Payments to the MGOs should take precedence over all other third party payments and ESCROW account must be in the payment security mechanism. • The Commission shall approve State government's subsidy for rural consumers for mini-grid renewable energy sources also. • The Commission shall pass feed-in-tariff and franchisee fees payments in the Annual Revenue Requirement filed by the distribution licensee.
Technical Committee and Grievance Redressal	• A technical committee headed by an officer of the commission with representatives of state nodal agency and DISCOMs not below the rank of chief engineer shall be set up to facilitate the implementation of mini grid projects and to safeguard the interest of MGO.
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Reference	http://old.berc.co.in/media/Notice%20%20Adv/draft_min%20grid%20regulations.pdf