

Maharashtra Electricity Regulatory Commission (Terms and Conditions for Determination of RE Tariff) Regulation " 2019

HIGHLIGHTS

Tariff Period	Technology	No. of Years
	Biomass, non-fossil fuel projects	25
	Wind, Solar PV, Solar thermal, Solar rooftop	25
	Mini, Micro and Small hydro	35
Control Period	5 years, of which the first year shall be FY 2020-21.	
Useful Life of a Plant	Technology	No. of Years
	Biomass, non-fossil fuel projects	25
	Wind, Solar PV, Solar thermal, Solar rooftop	25
	Mini, Micro and Small hydro	35
Tariff for FY 2020-21	<ul style="list-style-type: none"> Due to COVID-19 outbreak a field study cannot be conducted. Hence the Commission decided to set the tariff as per FY 2019-20 until further notice. 	
	Technology	Tariff (Rs./kWh)
	Rooftop Solar (Net metering)	2.83
	Biomass	5.55
	Non-fossil fuel based co-generation	4.38
Capital Cost	Capital costs for FY 2020-21 RE projects are project-specific and must be approved by the Commission.	

Capacity Utilization Factor	Technology	CUF		
	Wind*	30%		
	Small hydro*	30%		
	Solar PV	28%		
	Solar thermal	23%		
	Biomass	Time Period	PLF	
		During stabilization (max. 6 months)	60%	
		1 year after stabilization	70%	
	Non-fossil fuel	Onwards	80%	
		Operating period (240 days)	60%	
* For tariff purpose.				
Auxiliary Consumption	Technology	Power Consumption		
	Small hydro	1%		
	Solar thermal	10%		
	Non-fossil fuel based projects	8.50%		

	Technology	O&M Cost for FY 2020-21		
Operation and Maintenance (O&M) Expenses	Wind	Rs.7.72 Lakh/MW		
	Hydro:			
	Up to 500 kW	4% of capital cost		
	500 kW ≤ 1 MW	4% of capital cost		
	1 MW ≤ 5MW	3.60% of capital cost		
	5 MW ≤ 25 MW	2.80% of capital cost		
	Solar PV	Rs.6 Lakh/MW		
	Solar thermal	Rs.15 Lakh/MW		
	Biomass	5.32 % of capital cost		
	Non-fossil fuel	3.54% of capital cost		
	Interest Rate on Loans	<ul style="list-style-type: none"> • Average State Bank of India marginal cost of funds based lending rate (one-year tenor) prevalent during the last available six months plus 200 basis points. • For SHP, the interest on loan is calculated at 10.51% 		
Depreciation	<ul style="list-style-type: none"> • 5.28% for the first 13 years and the remaining depreciation is spread over the residual useful life of the project taking 10% of the project cost as the salvage value. • SHP rate of depreciation is 5.28% for the first 13 years and 1.425% for the remaining life of the project. 			
Return on Equity	14%, to be grossed up by the prevailing minimum alternate tax as on 1 April of the previous year, for the entire useful life of the project.			
Interest on Working Capital	Average State Bank of India marginal cost of funds based lending rate (one-year tenor) prevalent during the last available six months plus 300 basis points.			
Station Heat Rate for Non-fossil fuel based Projects	3600 kcal/kWh			
Calorific Value	Biomass project (Existing plant) : 3611 kcal/kg Biomass project (New plant): 3100 kcal/kg Non-fossil fuel based plant: 2250 kcal/kg			
Fuel Cost	Biomass fuel cost will be based on a study by the Commission.			

OTHER PROVISIONS

Tariff Structure and Design	Generic or project specific: <ul style="list-style-type: none">• Levelised• Single part tariff for technologies not using fuel.• Single part with fixed cost and fuel cost component for technologies that are using fuel.
Despatch Principles	<ul style="list-style-type: none">• All renewable energy power plants shall be treated as 'MUST RUN' power plants.• Scheduling of wind and solar energy shall be governed by MERC Forecasting, Scheduling and Despatch of solar and wind generation 2018.• Biomass and co-generation projects are covered as per scheduling and dispatch of the State grid code, as amended from time to time.
Links	https://www.merc.gov.in/faces/merc/common/outputClient.xhtml
References	https://www.merc.gov.in/