

KERALA STATE ELECTRICITY REGULATORY COMMISSION

Notification

No. 1204/D(T)/2019/KSERC

Dated, Thiruvananthapuram 15.07.2022

In exercise of the powers conferred by sub-section (1) of Section 181 of the Electricity Act, 2003, Regulation 72 of the Kerala State Electricity Regulatory Commission (Conduct of Business) Regulations, 2003 and all other powers enabling it in this behalf and after previous publication; the Kerala State Electricity Regulatory Commission hereby makes the following Regulations to amend the Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) Regulations, 2020 namely: -

THE KERALA STATE ELECTRICITY REGULATORY COMMISSION (RENEWABLE ENERGY AND NET METERING) (FIRST AMENDMENT) REGULATIONS, 2022.

1. Short title and commencement.

(1) These Regulations may be called the “Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) (First Amendment) Regulations, 2022”.

(2) These Regulations shall come into force from 01.08.2022.

2. Amendment to the existing Regulations. - In the Kerala State Electricity Regulatory Commission (Renewable Energy & Net Metering) Regulations, 2020;

- (1) Regulation 1(2) of the existing Regulations, shall be amended as follows;
- Regulation 1 (2) These Regulations shall apply to all the new Grid Interactive Renewable Energy Systems, consumers, prosumers, captive consumers, captive generating plants, generating companies, distribution licensees and obligated entities, in the matter of Determination of Tariff of Renewable Energy, Net Metering, Banking, Generation Based Incentives and related matters.

Provided that, the captive generators/ consumers existing in the State prior to the enactment of the Electricity Act-2003 and governed by the

agreements entered into between the licensee and generators as per the policies then existing, shall be allowed to continue till the expiry of the term of the agreement as per the provisions of such agreements as long as the provisions of such agreements are consistent with the Act;

Provided further that the bills issued during the period from 5th June 2020 to the date of effect of these Regulations need not be revised:

Provided also that the provision for 'gross metering' will be introduced in the State by the Commission at an appropriate time only after full compliance of the RPO by the Licensees;

Explanatory Note: In the Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) Regulations 2020, Clause 1.(2) it was mentioned that 'These regulations shall apply to all existing and new Grid Interactive Renewable Energy Systems, consumers, prosumers, captive consumers, captive generating plants, generating companies, distribution licensees and obligated entities in the matter of Determination of Tariff of Renewable Energy, Net Metering, Banking, Generation Based Incentives and related matters'. This was an inadvertent error which had crept into the Regulation. It is hereby clarified that all the existing entities including prosumers, obligated entities, distribution licensees, captive consumers, open access consumers, entities eligible for generation based incentives etc. and who were governed by the Kerala State Electricity Regulatory Commission (Renewable Energy) Regulations, 2015 and its amendments and Kerala State Electricity Regulatory Commission (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014 and its amendments shall continue to be governed as per those Regulations. However, the facilities including banking permitted in the RE Regulations, 2020 on payment of fees and charges for usage of transmission and distribution system, as the case may be shall be applicable to them. The intent of this amendment is to clarify and to rectify this error.

- (2) Insert Regulation 2(1) (da), in between Regulations 2(1) (d) and Regulation 2(1) (e), as follows: -

Regulation 2(1) (da).

“Average Power Purchase Cost” or **“APPC”** during a year means the weighted average cost of the power purchased by KSEB Ltd including

the cost of self-generation by KSEB Ltd, for the previous financial year as approved by the Commission.

Note: This will be applicable for the whole State, as long as uniform retail tariff for consumers exists in the State.

- (3) Insert Regulation 2(1) (aca) in between Regulations 2(1) (ac) and Regulation 2(1) (ad), as follows:

Regulation 2(1) (aca)

“Gross-Metering” means a mechanism whereby the total renewable energy generated from Grid Interactive Renewable Energy Systems and fed into the grid by a consumer/ prosumer vis-à-vis the total energy consumed by such consumer/ prosumer is separately accounted for at their applicable tariff as determined by the Commission.

- (4) Insert Regulation 2(1) (aea), in between Regulations 2 (1) (ae) and Regulation 2(1) (af)

Regulation 2(1) (aea).

“Hydro Power Obligation” or “HPO” means the obligation of an entity to purchase electricity generated from Large Hydropower Projects (LHPs) including pumped storage projects having capacity of more than 25 MW which has come into commercial operation on or after 08.03.2019 as renewable energy source.

- (5) Insert Regulation 2(1) (ata) in between Regulations 2(1) (at) and Regulation 2(1)(au), as follows:-

Regulation 2(1) (ata)

“**Ocean Energy**” means the energy produced using various forms of ocean energy sources such as tidal, wave, ocean thermal energy etc.

- (6) Regulation 2(1) (bk) of the existing Regulations, shall be revised as;

Regulation 2(1)(bk)

‘**Settlement Period**’ for the purposes of these Regulations ‘is the period from the first day of April in a Gregorian calendar year to the thirty first day of March in the next calendar year;

- (7) In Regulation 3, the Renewable Power Obligation specified in Table-1 shall be revised as follows; including the RPO target for the FYs 2022-23 and 2023-24 and HPO;

Table-1

Financial Year	Quantum of generation and/or purchase from Renewable Energy Sources as a (%) of total consumption (in terms of energy in kWh)			
	Non-Solar	Solar	HPO	Total
2019-20	8.00	4.00	-	12.00
2020-21	9.00	5.25	-	14.25
2021-22	10.25	6.75	-	17.00
2022-23	10.25	10.50	-	20.75
2023-24	10.68	10.50	0.66	21.84

- (8) Regulation 13(2)(a), third proviso shall be substituted with the following:

Provided also that, prosumers including those prosumers having RE generation capacity / intending to install RE generation capacity in excess of that mentioned in the two provisos above, are also permitted to install Renewable Energy System in excess of their connected load or contract demand as applicable. However, the benefit of net metering shall not be allowed to such prosumers and shall be treated at par with the prosumers having RE capacity more than 1 MW, as detailed in Chapter -IV of these Regulations.

- (9) After second proviso to Regulation 13 (2) (a), insert the following;

“Explanation: The Distribution Licensee shall permit, ‘residential flats’ availing supply at LT for the common services and categorized under the domestic tariff, to install Solar PV system under net metering as Prosumer, upto a maximum capacity of 100 kW, subject to the conditions specified under Regulation 13(3) of these Regulations and other Rules and Regulations in force.”

- (10) Insert new Regulation 17 A after Regulation 17 as follows:

“17 A The distribution licensee shall facilitate the process for setting up of RE generation system at the prosumers’ premises. In this regard,

the licensee shall: -

- (a) create an online portal for receiving applications from prosumers for installation, interconnection and metering of distributed renewable energy systems or devices at their premises, and update the same on a regular basis;
- (b) prominently display on its website and in all its offices, the following; namely: -
 - (i) detailed standardized procedure for installation and commissioning of roof top solar system;
 - (ii) a single point of contact to facilitate the consumers in installation of roof top solar system from submission of application form to commissioning;
 - (iii) address and telephone numbers of offices where filled-up application forms can be submitted;
 - (iv) complete list of documents required to be furnished along with such applications;
 - (v) applicable charges to be deposited by the applicant;
 - (vi) empaneled list of service providers for the benefit of consumers who want to install roof top solar PV system through service providers; and
 - (vii) financial incentives to the prosumers, as applicable under various schemes and programmes of the Central and State Governments;”

- (11) Insert the following provisos after Regulation 18(1)

Provided that the application forms shall be accepted online or through hard copy or through web portal;

Provided further that in case the application form submitted is in hard copy form, the same shall be scanned and uploaded on the website within 3 working days of its receipt and acknowledgement with the registration number for that application shall be generated and intimated to the applicant within this period;

- (12) After Regulation 18(2), insert the following proviso;

Provided that in case the application form is received online through web portal of the distribution licensee, the acknowledgement with the

registration number shall be generated immediately on submission of application;

Provided further that the application shall be deemed to be received on the date of generation of acknowledgement with registration number;

- (13) After Regulation 18(5), insert sub-Regulation 18(6) as follows:

18(6) The application tracking mechanism based on the unique registration number shall be provided by the distribution licensee through web-based application or any other mode to monitor the status of processing of the application like receipt of application, site inspection, meter installation and commissioning, etc.

- (14) After Regulation 18, insert Regulation 18 A as follows:

18 A Upgradation of the distribution system for connectivity:

During the time period from the feasibility study till the completion of installation, in case, there is any requirement for upgradation of the distribution infrastructure like augmentation of service line, distribution transformer capacity etc., for installation of the required capacity of the solar PV system, the same shall be carried out by the distribution licensee, subject to the provisions in the Kerala Electricity Supply Code, amended from time to time.

- (15) After Regulation 20, insert Regulation 20 A as follows:

Regulation 20 A:

The distribution licensee shall pass on the financial incentives wherever applicable to the prosumers, as may be provided under the various schemes and programmes of the Central and State Governments.

- (16) In Regulation 31, the term 'commissioned' shall be replaced with the word 'declared date of commercial operation (COD)' to give more clarity.

31. Scope and extent of application. -

The provisions under these Regulations shall be applicable for determining the project specific tariff/ generic tariff as determined by the Commission for the electricity generated from Renewable Sources of Energy plants which have declared their date of commercial operation during the control period specified in these Regulations, under Section 62 read with Section 86 of the Electricity Act, 2003.

- (17) The following proviso shall be added to Regulation 31.

Provided that, if the tariff has been determined based on the norms and parameters specified in any of the previous Regulations or the generic tariff approved in any of the previous Regulations, it shall not be redetermined for the electricity generated from the RE projects which have already declared commercial date of operation during the period prior to the control period specified in these Regulations till the completion of the period for which the tariff has been determined.

(18) Regulation 35(1) and 35(2) shall be revised as follows: -

35. Generic Tariff for the Electricity Generated from Renewable Sources of Energy. –

(1) The Commission shall determine project specific tariff for all the renewable energy systems beyond 1 MW capacity. However, in exceptional circumstances to be recorded in writing, the Commission may, if considered necessary, determine the generic tariff for each financial year of the control period, for the electricity generated from the following categories of renewable sources of energy in accordance with the principles, norms and parameters specified or adopted by the Commission in these Regulations and considering the normative values of capital cost, rate of interest and other parameters notified under these Regulations, by an order published in the official Gazette.

(i) Solar Photo Voltaic (PV) of capacity of and below 1 MW at a location;

(ii) Wind Energy of capacity of and below 5 MW at a location;

(iii) Small Hydro Electric plants having capacity of and below 2 MW;

Provided that, the generic tariff so determined shall be the upper ceiling limit and shall not prevent the generator and distribution licensee from agreeing to a lower tariff than the generic tariff determined by the Commission;

Provided further that, the generic tariff so determined by the Commission as mentioned above shall not prevent the right of the generator to get a project specific tariff determined, if they so desire, by the Commission as per the provisions of these Regulations. However, the distribution licensee/ purchaser of electricity from RE sources under these Regulations shall pay only the lower of the

'generic tariff of the year of CoD or the project specific tariff' as determined by the Commission;

Provided also that, the generic tariff determined by the Commission shall also not prevent the right of the distribution licensee to procure power from the renewable energy sources through competitive bidding route as per Section 63 of the Electricity Act, 2003;

35(2) The generic tariff, if determined by the Commission under these Regulation, shall be applicable to the renewable energy projects which declares their date of commercial operation (COD) during the control period specified under these Regulations or till a project specific tariff is determined by the Commission, whichever is earlier:

Provided that the generic tariff determined by the Commission for the control period shall be applicable provisionally to the renewable energy projects which have declared date of commercial operation after the close of that control period, till such time, the tariff is revised by the Commission:

Provided further that, as soon as the generic tariff is revised by the Commission for the next control period in which the renewable energy project has declared date of commercial operation, the revised generic tariff shall be assigned to such renewable energy projects, for which provisional tariff is assigned as per the above proviso from the date of declaration of its date of Commercial Operation:

(19) After Regulation 35(4), insert the following Regulation 35 (4A);

35(4 A) Notwithstanding anything to the contrary contained in these Regulations, the normative parameters and the generic tariff applicable to Small Hydro projects having capacity of and below 2 MW, Wind Energy having capacity of and below 5 MW and Solar PV plants having capacity of and below 1 MW, for the remaining period of the control period of these Regulations is specified in Annexure IV, V and VI (1 to 3) attached.

Provided that the generic tariff applicable for projects, whose declared date of Commercial Operation is between 01.04.2020 and prior to coming into effect of these regulations, shall be that specified for the FY 2019-20;

(20) The Regulation 38(1) and 38(2), shall be replaced with the following:

38(1) All the renewable energy power plants having valid Power Purchase Agreement (PPA) approved by the Commission, unless and otherwise exempted by the Commission for reasons to be recorded in writing, shall be treated as 'MUST RUN' power plants and shall not be subjected to 'Merit Order Dispatch' principles.

38(2) Scheduling of Renewable Energy plants shall be governed by the Regulations issued by the Commission from time to time.

(21) Insert a fourth proviso to Regulation 52(3) and shall be modified as indicated below:

52(3) **Operation and Maintenance (O&M) Expenses, -**

The Commission shall determine the O&M Expenses based on the prevailing market information, and allowing an escalation rate of 5.72% over the previous year.

Normative O & M rates for the financial year 2019-20 is taken as Rs 8.00 lakh per MW, based on the prevailing market information.

The generic tariff applicable for the Wind projects of capacity of and below 5 MW for the period from the date of effect of these Regulations up to FY 2023-24 is given in Annexure-V.

(22) The Regulation 53(4)(iii) shall be revised as;

53(4)(iii) The generic tariff applicable for SHEP < 2 MW capacity for the period from date of effect of these Regulations up to FY 2023-24 is given in Annexure-IV.

(23) In Regulation 54(2), insert the following proviso;

54 (2) **Capital Cost, -** The Commission shall determine the capital cost and the tariff, based on prevailing market trends for Solar PV projects of capacity of and below 1 MW at a location. The normative capital cost for Solar PV project commissioned during the control period shall be as indicated below:

Provided that the above rate is applicable up to the date effect of these Regulations;

Provided further that the normative capital cost/ Benchmark capital cost, for different Solar PV plants to be installed in the remaining period of the control period under these Regulations shall be as

follows;

Sl No	Capacity range	Capital cost (Rs/kW)
1	<i>Upto 10 kW</i>	51200
2	<i>11 kW to 100 kW</i>	45500
3	<i>101 kW to 500 kW</i>	41700

(24) At the end of Regulation 54(3) add “up to 31.07.2022”

54(3) Capacity Utilization Factor, - The Capacity Utilization Factor for Solar PV project shall be 19% up to 31.07.2022.

(25) Insert Regulation 54(3A) after 54(3).

54(3 A) The Capacity Utilization Factor for Solar PV project shall be 21% from 01.08.2022 till the remaining period of the control period, unless otherwise revised by the Commission.

(26) Insert Regulation 54(6A) as follows.

54(6 A). The generic tariff for solar projects having capacity of and below 1 MW for the period from 01.08.2022 till the end of FY 2022-23 shall be as given below:

Sl No	Capacity range	Generic tariff (Rs/ kWh)	
		(Without availing the benefit of accelerated depreciation)	(If availing the benefit of accelerated depreciation)
1	Upto 10kW	3.91	3.57
2	11kW to 100kW	3.54	3.26
3	101kW to 500kW	3.23	2.98

The detailed computation for the generic tariff of Solar PV plants are provided under Annexure VI (1) to Annexure VI (3) of these Regulations.

(27) Insert Regulation 56(A) after Regulation 56 as follows;

56 (A) *The Commission may permit gross-metering for Prosumers who would like to sell all the generated solar energy to any person including the distribution licensee, instead of availing the net-metering, net-billing or net feed-in facility. If the sale is to the distribution licensee, the Commission shall decide for this purpose the tariff for gross-metering as per the tariff regulations in force.*

(28) In Regulation 58, the words, “30.09.2021” shall be substituted with “the control period of these Regulations”

58. Generation based incentives for off-grid solar schemes. -

Generation based incentives as per the order of the Commission dated 11.11.2019 is available to the off-grid captive solar plants upto the end of the control period of these Regulations.

(29) In Regulation 62(1), the words ‘Rs 1000 per day’ shall be replaced with the word ‘Rs 500 per day’.

62. Penalty or compensation for non compliance by the distribution licensee. -

(1) In case of failure to meet timelines prescribed under these Regulations, penalty of Rs. 500 per day for each day of delay shall be levied on the distribution licensee.

(30) Regulation 68, List of Annexure and Forms shall be replaced as below:

Annexure	Details
A	Application for connectivity of Renewable Energy System
B	Application for the registration of the scheme for Renewable Energy System
I	Generic Tariff for SHEP having station capacity of and below 5 MW- for the FY 2019-20
II	Generic Tariff for Wind Energy Projects having capacity of and below 25 MW with CUF 24%- for the FY 2019-20
III	Generic Tariff Solar PV Projects having capacity of and below 5 MW –for FY 2019-20.

IV	Generic Tariff for Small Hydro Electric Projects having installed capacity of and below 2 MW (01.08.2022 to 31.03.2024)
V	Generic Tariff for Wind Energy Generation Projects having installed capacity of and below 5 MW (01.08.2022 to 31.03.2024)
VI (1)	Generic Tariff for Solar PV projects (upto 10 kW) (01.08.2022 to 31.03.2024)
VI (2)	Generic Tariff for Solar PV projects (11 kW to 100 kW) (01.08.2022 to 31.03.2024)
VI (3)	Generic Tariff for Solar PV projects (101 kW to 500 kW) (01.08.2022 to 31.03.2024)

Sd/-

**Adv. A. J. Wilson
Member (Law)**

Sd/-

**Preman Dinaraj
Chairman**

Approved for issue

**C R Satheeshchandran
Secretary**

Annexure-IV

**Small Hydro Electric Projects having installed capacity of and below 2 MW
(01.08.2022 to 31.03.2024)**

Small Hydro Electric Projects having installed capacity below 2 MW					
Sl No	Head	Sub Head	Detailed Head	Unit	Norm
1	Power Generation	Capacity	(i) Installed Power Generation Capacity	MW	1
			(ii) Capacity Utilisation factor	%	30
			(iii) Auxiliary consumption	%	1
			(iv) Useful life	years	35
2	Project cost	Capital cost /MW	Power plant cost	Rs .Cr	7.79
3	Source of Fund		Tariff period	Years	35
		<u>Debt- equity</u>	Debt	%	70
			Equity	%	30
		Debt component	Loan amount/MW	Rs.Cr	5.45
			Moratorium	Years	0
			Repayment period (include moratorium)	Years	13
			Interest rate	(MCLR+2)%	8.65
		Equity component	Equity amount/ MW	Rs. Cr	2.34
			Normative RoE	%	14.00
4	Financial Assumptions				
		Depreciation	for first 13 years		5.28
			Remaining years		0.97
5	Working capital requirement		O&M charges	Months	1
			Maintenance spare	% of O&M expenses	15
			Receivable for debtors	Months	2
			Interest on working capital	(MCLR+3)%	9.65
6	Operation and Maintenance		O&M Cost Base year	Rs. Lakh/MW	32.41
			O&M expense escalation	%	5.72
Generic Tariff - for 35 years without the benefit of accelerated depreciation			5.72	Rs/unit	
Accelerated depreciation			0.33	Rs/unit	
Generic Tariff for 35 years with the benefit of accelerated depreciation			5.39	Rs/unit	

Annexure-V

Wind Energy Generation Projects having installed capacity of and below 5MW (01.08.2022 to 31.03.2024)

Wind Energy Generation Projects located in wind zone-1 (CUF 24%)					
Sl No	Head	Sub Head	Detailed Head	Unit	Norm
1	Power Generation	capacity	(i) Installed Power Generation Capacity	MW	1
			(ii) Capacity Utilisation factor	%	24
			(iii) Auxiliary consumption	%	0
			(iv) Useful life	years	25
2	Project cost	Capital cost /MW	Power plant cost	Rs .Cr	5.75
3	Source of Fund		Tariff period	Years	25
		<u>Debt- equity</u>	Debt	%	70
			Equity	%	30
		Debt component	Loan amount/MW	Rs.Cr	4.03
			Moratorium	Years	0
			Repayment period (include moratorium)	Years	13
			Interest rate	(MCLR+2)%	8.65
		Equity component	Equity amount/ MW	Rs.Cr	1.73
			Normative RoE	%	14.00
4	Financial Assumptions				
		Depreciation	Depreciation rate for first 13 years		5.28
					1.78
5	Working capital requirement		O&M charges	Months	1
			Maintenance spare	% of O&M expenses	15
			Receivable for debtors	Months	2
			Interest on working capital	(MCLR+3)%	9.65
6	Operation and Maintenance		Base year	Rs. Lakh/MW	8.00
			O&M expense escalation	%	5.72
			O&M expense for 2021-22	Rs. Lakh/MW	8.94
Generic Tariff - for 25 years without the benefit of accelerated depreciation			3.94	Rs/unit	
Accelerated depreciation			0.31	Rs/unit	
Generic Tariff for 25 years with the benefit of accelerated depreciation			3.64	Rs/unit	

Annexure-VI (1)

Solar PV projects (upto 10kW) (01.08.2022 to 31.03.2024)					
Sl No	Head	Sub Head	Detailed Head	Unit	Norm
1	Power Generation	Capacity	(i) Installed Power Generation Capacity	kW	10
			(ii) Capacity Utilisation factor	%	21
			(iii) Auxiliary consumption	%	0.25
			(iv) Useful life	years	25
2	Project cost	Capital cost	Power plant cost	Rs .Cr/MW	5.12
3	Source of Fund		Tariff period	Years	25
		<u>Debt- equity</u>	Debt	%	70
			Equity	%	30
		Debt component	Loan amount/MW	Rs.Cr	3.58
			Moratorium	Years	0
			Repayment period (include moratorium)	Years	13
			Interest rate	(MCLR+2)%	8.65
		Equity component	Equity amount/ MW	Rs.Cr	1.54
			Normative RoE	%	14.00
4	Financial Assumptions				
		Depreciation	Depreciation rate for first 13 years		5.28
					1.78
5	Working capital requirement		O&M charges	Months	1
			Maintenance spare	% of O&M expenses	15
			Receivable for debtors	Months	2
			Interest on working capital	(MCLR+3)%	9.65
6	Operation and Maintenance		Base year	Rs. Lakh/MW	6.00
			O&M expense escalation	%	5.72
			O&M expense for 2021-22	Rs. Lakh/MW	6.71
	Generic Tariff - for 35 years without the benefit of accelerated depreciation		3.91	Rs/unit	
	Accelerated depreciation		0.32	Rs/unit	
	Generic Tariff - for 35 years with the benefit of accelerated depreciation		3.59	Rs/unit	

Annexure-VI (2)

Solar PV projects (11kW to 100kW) (01.08.2022 to 31.03.2024)					
Sl No	Head	Sub Head	Detailed Head	Unit	Norm
1	Power Generation	Capacity	(i) Installed Power Generation Capacity	kW	1
			(ii) Capacity Utilisation factor	%	21
			(iii) Auxiliary consumption	%	0.25
			(iv) Useful life	years	25
2	Project cost	Capital cost (GST@12%)	Power plant cost	Rs .Cr/MW	4.55
3	Source of Fund		Tariff period	Years	25
		<u>Debt- equity</u>	Debt	%	70
			Equity	%	30
		Debt component	Loan amount/MW	Rs .Cr	3.19
			Moratorium	Years	0
			Repayment period (include moratorium)	Years	13
			Interest rate	(MCLR+2)%	8.65
		Equity component	Equity amount/ MW	Rs. Cr	1.37
			Normative RoE	%	14.00
4	Financial Assumptions				
		Depreciation	Depreciation rate for first 13 years		5.28
					1.78
5	Working capital		O&M charges	Months	1
			Maintenance spare	% of O&M expenses	15
			Receivable for debtors	Months	2
			Interest on working capital	(MCLR+3)%	9.65
6	Operation and Maintenance		Base year	Rs. Lakh/MW	6.00
			O&M expense escalation	%	5.72
			O&M cost 2021-22	Rs. Lakh/MW	6.71
	Generic Tariff - for 35 years without the benefit of accelerated depreciation		3.54	Rs/unit	
	Accelerated depreciation		0.28	Rs/unit	
	Generic Tariff - for 35 years without the benefit of accelerated depreciation		3.26	Rs/unit	

Annexure -VI (3)

Solar PV projects 101kW to 500kW (01.08.2022 to 31.03.2024)					
Sl No	Head	Sub Head	Detailed Head	Unit	Norm
1	Power Generation	Capacity	(i) Installed Power Generation Capacity	kW	1
			(ii) Capacity Utilisation factor	%	21
			(iii) Auxiliary consumption	%	0.25
			(iv) Useful life	years	25
2	Project cost	Capital cost	Power plant cost	Rs .Cr/MW	4.17
3	Source of Fund		Tariff period	Years	25
		<u>Debt- equity</u>	Debt	%	70
			Equity	%	30
		Debt component	Loan amount/MW	Rs. Cr	2.92
			Moratorium	Years	0
			Repayment period (include moratorium)	Years	13
			Interest rate	(MCLR+2)%	8.65
		Equity component	Equity amount/ MW	Rs. Cr	1.25
			Normative RoE	%	14.00
4	Financial Assumptions				
		Depreciation	Depreciation rate for first 13 years		5.28
					1.78
5	Working capital requirement		O&M charges	Months	1
			Maintenance spare	% of O&M expenses	15
			Receivable for debtors	Months	2
			Interest on working capital	(MCLR+3)%	9.65
6	Operation and Maintenance		Base year	Rs. Lakh/MW	6.00
			O&M expense escalation	%	5.72
			O&M expense for 2021-22	Rs. Lakh/MW	6.00
	Generic Tariff - for 35 years without the benefit of accelerated depreciation		3.23	Rs/unit	
	Accelerated depreciation		0.26	Rs/unit	
	Generic Tariff - for 35 years without the benefit of accelerated depreciation		2.98	Rs/unit	

Explanatory Note on these Amendment Regulations

(This does not form part of the notification, but is intended to achieve its general purport)

Section 86(1) (e) of the Electricity Act, 2003 authorizes the State Electricity Regulatory Commission to promote co-generation and generation of electricity from Renewable Source of Energy by providing suitable measures for connectivity with the grid and sales of electricity to any person and specify for the purchase of electricity from such sources a percentage of the total consumption of electricity within the area of the distribution licensee. Accordingly, Kerala State Electricity Regulatory Commission (KSERC) has published on 07.02.2020, the KSERC (Renewable Energy and Net Metering) Regulations, 2020.

During the last 2 years of operation of this Regulation, Stakeholders have raised certain ambiguities and clarifications on many clauses of the Regulations. Thereafter, Government of India has notified the Electricity (Rights of Consumers) Rules, 2020, in which more consumer friendly Rules were introduced. Further the existing Regulation 2020 is valid for the control period upto 31.03.2024. But the RPO rates of the obligated entities for the FYs 2022-24 was not notified. Also, the Generic Tariff for the various RE generators were published for the period upto FY 2020-21 only.

Considering these aspects, the Commission by invoking the powers conferred on it under Section 181(1) of the Electricity Act 2003, and Regulation 72 of the Kerala State Electricity Regulatory Commission (Conduct of Business) Regulations, 2003 formulated the draft Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) (First Amendment) Regulations, 2022 and pre published in the website of the Commission on 30.06.2022 for eliciting the opinion and suggestions of general public. Further the Commission had conducted the public hearing on the draft Regulation at Ernakulam on 11.07.2022. After considering all the suggestions and comments received directly and in the public hearing, the Commission approved the final of the Kerala State Electricity Regulatory Commission (Renewable Energy and Net Metering) (First Amendment) Regulations, 2022 and decided to publish the same in the official gazette.

This Notification is intended to achieve the above purpose.