

KARNATAKA ELECTRICITY REGULATORY COMMISSION

6th & 7th Floors, Mahalaxmi Chambers,
#9/2, M.G. Road, BANGALORE-560 001

Present:

Sri K.P. Pandey
Sri S.D. Ukkali

Chairman
Member

ORDER

B/01/1

Dated 11.07.2008

In the matter of "Wheeling & Banking Agreement"

Preamble:

M/s KPTCL have submitted a draft Wheeling & Banking Agreement for wind and mini hydel projects for the approval of the Commission. The Commission vide its letter dated 05.01.2008 had circulated the draft agreement seeking comments/suggestions from stakeholders, latest by 29.02.2008. The above draft was also hosted on the Commission's website. In response, written comments/suggestions were received from 15 stakeholders. Subsequently the Commission held a public hearing on 15.05.2008 in the Court Hall of the Commission, duly publishing a notice regarding the hearing on 17.04.2008 in Deccan Herald, an English daily and Vijaya Karnataka, a Kannada daily. 24 Stakeholders, including the Licensees, attended the Public hearing . Keeping in view the comments/suggestions of all the stakeholders, the Commission has finalized the Wheeling & Banking Agreement for wind and mini hydel and wheeling agreement for other types of renewable sources like co-generation, bio-mass and waste to energy projects. . Hence, this Order.

Order

The Commission, after duly considering the Comments/suggestions of various stakeholders, hereby approves the Standard Wheeling & Banking Agreement for all renewable energy projects. as enclosed at Annexe-1 to this Order. The wheeling & banking agreement is applicable for wind and mini hydel, as banking is allowed only for these categories. For other renewable sources only wheeling agreement is applicable.

The Comments/suggestions of various stakeholders and the views of the Commission thereon, are enclosed at Annexe-2 to this Order.

This order would come into force from this 11th day of July 2008. The salient features of the order are as follows:

- i. The standard Wheeling & Banking agreement for renewable energy project is approved and enclosed in Annexe- I. The Agreement shall be signed between the Company, KPTCL and the ESCOM/ESCOMs as the case may be.
- ii. The Commission in its order dated 09.06.2005 has ordered that overall wheeling charges payable by renewable energy projects as 5% of the energy input into the system. Other than wheeling charges they shall not be liable to pay any transmission charges either in cash or kind. However, surcharge shall be payable where the wheeling of energy is other than for their own use.
- iii. The Commission has permitted banking facility in respect of wind and mini hydel projects (only) on payment of banking charges @ 2% of the input energy vide its order dated 09-06-2005.
- iv. UI charges for wind and mini hydel projects shall not be applicable as these category of projects are exempted from provisions of intra State ABT as per the order of the commission dated 20th June 2006. They are liable to pay UI charges on the banked energy from the day ABT is made applicable to them.

This condition is also applicable to all renewable energy projects with installed capacity not exceeding 25 MW. Specific provisions for such renewable energy projects are detailed in the Commission's order dated 20.06.2006.

- v. All applicable charges as per this order shall be paid by the company to such ESCOM where the power is drawn.
- vi. The wheeling and Banking charges stated above shall be applicable to the projects for a period of 10 (ten) years from the date of commercial operation of the project.
- vii. This Order is valid for a period of 5 (five) years from 11th day of July 2008. i.e., for renewable energy projects that get commissioned between 11th day of July 2008 and 10th day of July 2013. The wheeling and banking agreement and standard terms and conditions approved by the Commission through this order shall be applicable.
- viii. This order pertains to renewable projects commissioned from the date of this order. For existing projects where Agreement has already been signed and in vogue, such Agreement shall continue to apply for the terms specified in those agreements. For such projects this agreement becomes applicable only after the expiry of the term specified in those agreements.

This is also not applicable to those agreements which are filed before the courts of law / KERC.
- ix. All, the other provisions as stated in the orders from the commission on 09-06-2005(*In the matter of determination of Transmission charge, wheeling charge and cross subsidy surcharge under open access*) and 20-06-2006 (*In the matter of : Implementation of Intra –State ABT*) are applicable.

Chairman

Member