

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.9/2, 6th & 7th Floor, Mahalakshmi Chambers,
M.G. Road, Bangalore-560 001

Present:

Sri. M.K. Shankaralinge Gowda	Chairman
Sri. H.D. Arun Kumar	Member
Sri. D.B. Manival Raju	Member

In the matter of:

**Tariff and other Operational procedures applicable in respect of Multiple/Combined
Solar Rooftop Photovoltaic (SRTPV) Installations in a single premises**

DRAFT ORDER

S/03/1

Date: ...**May,2017**

1. Preamble:

The Commission in its Order dated 10th October, 2013 had determined the tariff and other norms for Solar Rooftop and Small Photovoltaic Power Plants under net-metering concept, wherein Tariff of Rs 9.56 per unit was determined and such plants allowed to have installed capacity upto 1MW irrespective of the sanctioned load.

Further, the Commission in its Order dated 2nd May, 2016 had determined the revised tariff and other norms for Solar Rooftop and Small Photovoltaic Power Plants. The Commission while adopting net-metering in general, had adopted gross-metering concept for consumers of Domestic, Hospital and Educational institution categories under which the entire energy generated by the solar rooftop plant is allowed to be injected into the grid. The Commission had also allowed installed capacity of such plants to be upto 150% of the sanctioned load as these solar plants operate at a very low capacity utilisation factor.

The Commission, subsequently, in its Order dated 19th September, 2016, decided to allow one time irrevocable option of either gross or net metering for consumers under Domestic, Hospital and Educational institution categories at the time of signing of PPA. It also decided to limit the installed capacity of the Solar PV plant to 100% of the sanctioned load of the installation of the consumer.

The BESCO in its letter dated 6th February, 2017 has sought clarification on allowing more than one SRTPV installation in a single premises of the consumer. Further, it is also stated that some of the consumers are requesting permission for setting up of one SRTPV installation on the basis of the combined sanctioned load of all the consumer installations in a premises.

The CESC in its letter dated 15th April, 2017 has sought clarification for reduction of sanctioned load/contract demand for SRTPV plants for which Power Purchase Agreements has been executed prior to 2nd May, 2016. Clarification is also sought on increasing the installed capacity upto the sanctioned load for the SRTPV plants commissioned earlier.

The Commission having examined the issue, notes that as per the present Order, the consumers are allowed to install SRTPV units equivalent to sanctioned load based on gross or net-metering as the case may be. If multiple SRTPV units on a common rooftop in a premises with individual units having different tariff structures are allowed, it would lead to over lapping and pose practical difficulties to the ESCOMs in monitoring and settling accounts of

such multiple installations for the term of the PPAs. Further, if the SRTPV units are to be allowed on the basis of combined sanctioned load of all the installations in a premises, the attendant benefits of solar power generation should be equitably available to all the consumers and only one or a few consumers cannot be allowed to avail such benefits.

The Commission considers that, while promotion of solar power generation with tariff higher than conventional sources and renewable power purchase obligation on ESCOMs has its obvious benefits, solar power capacity creation beyond a reasonable limit is not desirable and sustainable because of attendant financial and operational issues.

In the last couple of years, there has been large capacity addition of solar power in the State, from both megawatt scale plants and small kilowatt scale rooftop plants. As on date megawatt scale plants of 1011MW capacity and SRTPV installations of 61MW has been commissioned. The ESCOMs in the State will be able to meet their RPO targets in the near future with these capacities commissioned and also planned. Thus, now there is a need to moderate additional capacity creation in Solar plants. The new Tariff Policy, issued by Government of India, provides for procurement of power from renewable sources of energy mainly through competitive bidding. Further, the rates offered by solar project developers have seen a drastic downward trend due to competitive bidding. The current tariffs in respect of SRTPV projects are higher than such rates. In the circumstances, the Commission is of the view that any capacity addition in respect of SRTPV units through multiple installations on a single roof requires to be regulated to ensure better utilisation of idle rooftops with least impact on technical operations and financial health of the ESCOMs as also tariff burden on the general consumers.

The Commission is of the view that, the multiple SRTPV units could be allowed on a common rooftop, if the tariff for all the units is uniform and remains the same for the term of their PPAs. The Commission, hitherto, is allowing purchase of solar power from SRTPV units at tariffs determined based on cost plus returns approach. If, the multiple units on a common roof are to be allowed, the

slab-wise tariff based on installed capacity as per the Commission's Tariff Order dated 2nd May, 2016, cannot be applied to such installations.

Hence, the Commission, having taken note of the above issues, in partial modification to its Orders dated 10th October, 2013, 2nd May, 2016 and 19th September, 2016 decides to provide for the following:

DRAFT ORDER

The Commission in addition to the tariff and operational terms determined in its Orders dated 10th October, 2013, 2nd May, 2016 and 19th September, 2016, hereby decides:

1. To allow fresh installation of SRTPV multiple units on common rooftop, each not exceeding its sanctioned load, only on net-metering basis without any existing SRTPV installations and any surplus injected shall be paid at the prevailing Average Pooled Power Purchase Cost (APPC) rates, but not exceeding Rs 4 per unit.
2. To allow single SRTPV Installation with installed capacity equivalent to the total combined sanctioned load of all the consumer installations in a single premises, provided such consumers of all the installations agree to nominate any one consumer in whose name the billing of gross metered energy at prevailing APPC rates, but not exceeding Rs 4 per unit would be effective.
3. To allow existing SRTPV installation of a consumer to be scaled upto the combined sanctioned load of all consumer installations in such premises, provided the consumer agrees to cancel the existing PPA and enters into a new PPA for the combined installed capacity with APPC rates, but not exceeding Rs 4 per unit for the gross metered energy.
4. To allow multiple SRTPV installations in a single premises with multiple consumer installations where there is already an SRTPV installation commissioned, provided the consumer of the existing SRTPV installation

agrees to cancel the existing PPA and enters into a new PPA along with consumers of new SRTPV installations at APPC rates, but not exceeding Rs 4 per unit for the net metered energy of each installation.

5. To allow phased capacity addition to multiple SRTPV units falling under the clause (4) above.
6. To allow any change in the sanctioned load of the connected consumer installation OR change in the tariff category of the connected consumer installation, provided the consumer of the existing SRTPV installation agrees to cancel the existing PPA and enters into a new PPA at APPC rates, but not exceeding Rs 4 per unit.
7. In all the above cases, the applicable APPC rates specified shall be the latest finalised APPC rates as per the Official Notification issued.

All other terms and conditions specified in the Commission's Orders dated 10th October, 2013, 2nd May, 2016 and 19th September, 2016 shall continue to be applicable in respect of the above installations. Further, these SRTPV Installations shall comply with provisions of the KERC (Implementation of Solar Rooftop Photovoltaic Power Plants) Regulations, 2016 notified on 19th December, 2016.

This Order shall be applicable to all PPAs in respect of installations referred above, that would be executed from the date of this Order and on or before 31st March, 2018.

This Order is signed and issued by Karnataka Electricity Regulatory Commission on this day of May, 2017.

M.K.Shankaralinge Gowda
Chairman

H.D.Arun Kumar
Member

D.B.Manival Raju
Member