

PRESS NOTE

The Gujarat Electricity Regulatory Commission (GERC), had vide its Order No.2 of 2010 dated 29.1.2010 determined the tariff for power generated from the solar power projects to be commissioned during the period from 29th January,2010 to 28th January,2012. In view of the latest trends in the field and keeping in view the interest of all the stakeholders, the Commission has decided to determine afresh the tariffs for solar projects to be commissioned after 28th January, 2012.

The solar tariff order is the outcome of an elaborate process of analysis and consultations. It followed a systematic and transparent process for determination of tariff. GERC considered suggestions and comments of stakeholders and also held public hearing on 27th December 2011. GERC also kept in view the various technical and commercial aspects, guidelines of the Central Electricity Regulatory Commission (CERC), provisions of the Jawaharlal Nehru National Solar Mission, Solar Power Policy of Government of Gujarat and provisions of the Electricity Act 2003.

The Commission has prepared a tariff order on “Determination on Tariff for procurement of power by distribution licensees and others from Solar Energy Projects for the State of Gujarat”. The salient features of the above solar tariff order are as under:

- The control period for the proposed tariff is from 29th January, 2012 to 31st March, 2015.
- The separate tariff determined and proposed by the Commission for (i) Solar PV MW based power projects (ii) Solar PV KW based rooftop power projects and (iii) solar thermal based power projects.

- In view of declining trend in the prices of Solar PV globally, the Commission has decided to reduce the tariff by 7% per year during the second and third years of the control period.

The Commission approves the tariff for Procurement by the Distribution Licensees and others from Solar Energy Projects for the Control Period from 29 January, 2012 to 31 March, 2015 as outlined in the table below:

Period →	29 Jan. '12 to 31 Mar. '13	1 Apr. '13 to 31 Mar. '14	1 Apr. '14 to 31 Mar. '15
<i>For megawatt-scale photovoltaic projects availing accelerated depreciation</i>			
Levelized Tariff for 25 years	₹ 9.28 per kWh	₹ 8.63 per kWh	₹ 8.03 per kWh
For first 12 years	₹ 9.98 per kWh	₹ 9.13 per kWh	₹ 8.35 per kWh
For subsequent 13 years	₹ 7.00 per kWh	₹ 7.00 per kWh	₹ 7.00 per kWh
<i>For kilowatt-scale photovoltaic projects availing accelerated depreciation</i>			
Levelized Tariff for 25 years	₹ 11.14 per kWh	₹ 10.36 per kWh	₹ 9.63 per kWh

<i>Levelized Tariff for Solar Thermal Projects</i>	
With accelerated depreciation benefit:	₹ 11.55 per kWh for 25 years

- Solar Power Projects established with only new Plants and Machinery would be eligible for the benefit of tariff determined within the scope of this solar tariff order.
- No cross-subsidy surcharges would be levied in case of third-party sale by the Solar Power Projects
- The Intra-state ABT order will not be applicable to solar power generation projects. Considering the nature of solar energy, all solar energy power plants will be considered as 'must-run' facilities, and the power generated from such power plants will be kept out from the merit order dispatch principles

- In order to promote KW scale rooftop solar projects, no wheeling charges shall apply for wheeling of power generated by rooftop power projects as such projects decrease the transmission and distribution losses for the utility, and increase the efficiency of the grid.
- The order also contains the relevant commercial aspects such as transmission charges, wheeling charges, security deposit and sharing of CDM (Clean Development Mechanism) benefits.
- The proposed new tariff will be helpful to encourage generation of solar based electricity which is of renewable nature and will facilitate to reduce requirement of fossil fuel and also helpful on sustainable development. It will also enable distributed generation which will helpful in reduction of losses in local area and also provide job opportunities and development of personnel in the field of solar based power generation and operation and maintenance of it.
- The solar tariff order is available on the website of the Commission www.gercin.org

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SECRETARY