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ARUNACHAL PRADESH ELECTRICITY REGULATORY COMMISSION NAHARLAGUN

NOTIFICATION

The 31st March, 2017

Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation-2012 (1st Amendment) 2017

No. APERC/NOTIFICATION/23/2017.— WHEREAS, the Notification No.APERC/Notification/7/2012 of Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation 2012) came into force with effect from 10th April, 2012.

AND WHEREAS, these Regulations unless reviewed earlier or extended by the Commission shall remain in force for a period of five years from the date of publication in the Gazette of Arunachal Pradesh which falls on 10th April, 2017.

AND WHEREAS, the Commission feels and realise that these regulations being five year old need review of the various ceiling norms and other parameters fixed by the Commission for determination of tariff from Renewable Energy Sources in view of the dynamic and evolving nature of the sector.

AND WHEREAS, the process of review and revision shall take some considerable time and may not be possible before the date of expiry of these regulations i.e. 10th April, 2017.

AND WHEREAS, the Ministry of New and Renewable Energy (MNRE), Government of India vide its letter No. 12/05/2015-SHP, dated 22nd July, 2016 has suggested that the existing procedure of determining the generic tariff for small hydro projects may be applied only up to 5 MW capacity projects and for the projects higher than 5 MW capacity, project specific tariff should be determined unless tariff is determined through open transparent billing i.e. tariff based billing.

AND WHEREAS, the Commission on its own and also after interaction with several Small Hydro Power Project Developers feels that the suggestion mooted by the MNRE is very relevant to the SHP Project Developers in Arunachal Pradesh in view of the following typical working conditions being encountered by them, viz ;

- (i) There is wide variation in the topographical and geological conditions of the SHP sites from one place to another place.
- (ii) Even the extent of severity of the remoteness and accessibility is different for each project.
- (iii) The extent of transmission connectivity available for the project is quite different for each project.

AND WHEREAS, the above primary factors affect the project cost to a great extent not only in respect of SHPs of considerable capacity but also the mini hydro projects (less than 1 MW capacity).

AND WHEREAS, it is possible that in near future a few SHP Developers may be filing petition for determination of tariff of their respective SHPs and the Commission can not postpone the determination of tariff till review of the Regulations but in view of the facts as mentioned in aforesaid paras regarding necessity of project specific tariffs, it may be unfair to determine the Generic tariff for their projects based on the provisions of the existing regulations instead of Project Specific Tariff. In view of the above context, it has become necessary to amend the present APERC's "Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation 2012" for incorporating the provision of determining the project specific tariff also apart from extending the validity of the regulations before they expire on 10th April, 2017.

NOW, THEREFORE, in exercise of the powers conferred by Regulation 1(2) & 57 of the APERC's, Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation 2012, APERC hereby makes the Amendment in the above mentioned Regulations of 2012 published in the Gazette of Arunachal Pradesh, dated 10th April, 2012 by replacing the existing Regulation No. 1(2) by a new Regulation and introduce a new regulation under 7(a) at Sl.No. ix as mentioned below. The amended Regulation shall come into force with effect from 1st April, 2017.

REGULATIONS

1. **Short title and commencement :** (1) These regulations shall be called the Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation 2012) (1st Amendment) Regulations- 2017.

(2) These regulations shall come into force with effect from 1st April, 2017.

2. **Amendment of erstwhile Regulation 1(2) :** The Regulation 1(2) is being deleted and shall be substituted by the following :

“1 (2)- These Regulations shall remain in force up to 31st March, 2018 unless reviewed earlier or extended by the Commission.”

3. New regulation under 7(a) is included at Sl. No. ix as follows :

“7(a) ix - For SHPs of capacity 1.0 MW and above, unless tariff is determined through a process of open tariff based bidding.”

4. Following words shall be added at the end of sentence of regulation at 7(a) iii- **“tariff shall be determined on annual basis.”**

5. Rest all Regulations of the APSERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources Regulation, 2012) shall remain unchanged.

By the order of the Commission

Rakesh Kumar
Secretary
Arunachal Pradesh
State Electricity Regulatory Commission