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**Petition No 694 of 2010**

**BEFORE  
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Date of Order : 12 .08.2011**

**IN THE MATTER OF:** Review on tariff for solar power under UPERC (Captive and Non-Conventional Energy Generating Plants) Regulations, 09 (CNCE Regulations, 09).

**AND**

**IN THE MATTER OF:**

**Petitioner:**

M/s Moser Baer Clean Energy Ltd.,  
N-23 B, Block – N, DDA Flat, Saket,  
New Delhi – 110 017

**Respondents:**

UP Power Corporation Limited,  
(through its CMD)  
7th Floor, Shakti Bhawan,  
14, Ashok Marg,  
Lucknow

The following were present:

1. Sri S. K. Agarwal, Director (Finance), UPPCL
2. Sri R. K. Johar, CE, PPA, UPPCL.
3. Sri S. P. Pandey, E.E., PPA, UPPCL.
4. Sri S. K. Sinha, E.E. (PPA), UPPCL
5. Sri Arvind Kumar, UPNEDA
6. Sri.M. L. Arora, G.M., Sukhbir Agro Energy Ltd.
7. Sri.P. K. Singh, E.E., Purvanchal Vidyut Vitran Nigam Ltd.
8. Sri Dhruv Mathur, Advocate, Sukhbir Agro Energy Ltd.
9. Sri M.P. Sharma, Consutant, Sukhbir Agro Energy Ltd.
10. Sri K. B. Singh, DGM (Comm.) NTPC
11. Sri Prashant Chaturvedi, , Manager (Comm) NTPC
12. Sri Aslam Javed Siddiqui, Moser Baer

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## ORDER

(Date of Public hearing 04.08.11)

1. The petition had been filed by M/s Moser Baer Clean Energy Ltd. for revision of tariff for Solar Power under UPERC's CNCE Regulations 2009. Since the petition was seeking for review of solar power tariff presently applicable as per the Regulations for the plants commissioned upto 31.12.2011 only, hence, to address the concerns of solar power generators, the Commission decided to take up the early review.
2. The notice for public hearing was published on 8<sup>th</sup> July, 2011 in two daily newspapers, namely The Times of India and Dainik Jagran. Simultaneously, UPNEDA, being the nodal agency for Non Conventional Energy development in the State was directed, vide letter dated 23.6.2011, to submit requisite data on solar energy. Till the date of hearing, no written submission from UPNEDA has been received by the Commission.
3. M/s Moser Baer Clean Energy Ltd. had earlier requested to fix the tariff for solar PV at Rs. 17.91/unit as provided by the Central Electricity Regulatory Commission (CERC) at that time. In their revised submission dated 2.8.2011 they have prayed to fix the tariff at minimum Rs. 16/unit for the Solar PV projects commissioned on or before 31.3.2014. UPPCL has submitted its written reply on 01.08.2011 in which they have stated that they do not agree with the tariff provided by CERC as the recent developments have shown a different picture. UPPCL stated that NTPC Vidyut Vyapar Nigam Limited (NVTN), who is the nodal agency authorized by Govt. of India (GoI) for implementation of solar power projects under Jawahar Lal Nehru Solar Mission, has recently concluded the bidding process for purchase of solar power. The bids have been received at tariffs well below the generic tariff provided by CERC. Through this process, NVTN has signed PPAs for about 620 MW consisting of 470 MW of solar thermal and 150 MW of Solar PV. UPPCL has further submitted that the decline in solar power cost is probably a result of induction of newer technologies. UPPCL has added that there may be a Government Policy for subsidizing the high cost solar power otherwise it

- would burden the licensee and ultimately to the consumers of the State. M/s Gestamp Solar has made a submission through e-mail that the solar tariff may be equal to as given by CERC for 25 years.
4. During the hearing, Sri Aslam Javed Siddiqui of M/s Moser Baer stated that in view of Renewable Purchase Obligation (RPO), the licensee would require solar power either through Power Purchase Agreement (PPA) or through Renewable Energy Certificate (REC). For desired progress and development of solar power, strict implementation of RPO may be ensured by the Hon'ble State Commissions so that rate of growth of Solar Power envisaged under the Solar Mission may be achieved. He further added that for achieving the goals of solar mission only the determination of requisite tariff by the Commission may not be sufficient but a comprehensive policy framed by the State Government would be required. Sri M.P. Sharma, Consultant, submitted that few States like Gujarat, Rajasthan and Karnataka have taken a lead in adding solar power capacities through the policies framed by respective State Governments together with requisite tariffs determined by the State Commissions. Sri Sharma further stated that despite the first full term levelized tariff for 20 years determined by UPERC in the year 2008, no addition in solar capacity has taken place in the State probably because of lack in efforts put in by the concerned parties and the Government. Now since RPO has been introduced, it is expected that the growth in this sector may take place. UPPCL reiterated the contents of its written submission.
  5. The Commission enquired from UPNEDA representative regarding the progress made on framing of a comprehensive solar policy for which UPNEDA, vide letter dated 23.6.2011, being the nodal agency, was advised to suggest to the GoUP for making a policy for promotion of solar power in the State. UPNEDA was further asked about non submission of data on solar power even after more than one month has elapsed since direction was given to them by the Commission. Sri Arvind Kumar, UPNEDA gave a general reply that they have started working on the issue. The Commission directs UPNEDA to submit a detailed status report on the issue within two weeks.
  6. Further, the Commission finds that UPNEDA, despite being nodal agency responsible for development of non-conventional energy in the State, has not

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- put concerted effort required for achieving the desired growth in this sector. The lack-luster response from the nodal agency cannot be overlooked. The Commission views it seriously and directs UPNEDA to make a detail submission on prospects of development of solar power, potential capacity addition, all technical details and probable reasonable costs in view of prevailing solar power costs etc. within a month from the date of this order. In the present scenario, UPNEDA's active rather proactive role for the development of non-conventional energy in the State is expected.
7. UPPCL is directed to submit the details of the basis of arriving at the discounted tariff of Rs.10.95 per unit for solar PV as submitted by them in their written submission.
  8. Nonetheless, The Commission has to re-determine the solar tariff as the existing tariff is applicable only for the projects commissioned till 31.12.11. It is also necessary that the new solar power tariff reflects the declining capital costs on solar power plants. In the subject matter, the facts and figures brought to the notice of the Commission through written or oral submissions before or during the public hearing have been taken for consideration. After examining the submissions to be made by UPPCL and UPNEDA, the new applicable tariff for solar power plants shall be decided by the Commission through a separate order.
  9. The petition is disposed of.

(Meenakshi Singh)  
Member

(Shree Ram)  
Member

(Rajesh Awasthi)  
Chairman

Place : Lucknow  
Dated: 12.08.11