

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**GANDHINAGAR**

**Draft Suo-Motu Order No. \_\_\_ of 2020**

**Dated: 30.06.2020**

Removal of difficulty in the matter of:

“Order No. 3 of 2020 dated 08.05.2020 for Tariff framework for procurement of power by distribution licensees and others from Solar Energy Projects and other commercial issues for the State of Gujarat.”

1. The Commission vide Order No. 03 of 2020 Dated 08.05.2020, decided the Tariff Framework, General Principles and Other Considerations for Solar Power Projects for the prospective period after due consultation process with the stakeholders.
2. GUVNL vide Letter No.GM/IPP/423 dated 25.06.2020 submitted that they have received requests from Solar Project Developers for signing of PPAs under the Policy for Development of Small Scale distributed Solar Project-2019. The Policy provides 12 months’ time period, from the date of signing of PPAs for commissioning of distributed Solar projects and PPAs cannot be signed without mentioning of Tariff. Looking to the said difficulty in implementing the Commission’s order, GUVNL requested to modify the relevant para of Solar Tariff Order No. 03 of 2020 dated 08.05.2020 suitably and in line with the Government of Gujarat Policy for Development of Small Scale distributed Solar Project-2019 dated 06.03.2019.
3. The power to remove difficulties is conferred upon the Commission to remove trivial difficulties in implementing its order effectively without making a change in the substance. In addition to above, the said power to remove difficulty can only be exercised to the extent necessary only for giving effect to a particular provision. The need arises because at the time of passing an order, it may not be possible to foresee all the difficulties which might arise in its working.
4. Accordingly, the Commission has considered the request of GUVNL and proposes the following;

*“3.1 Tariff Framework*

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.....  
*The average tariff, available as on 1st April (as discovered in the Competitive Bidding by GUVNL during previous six months October-March and adopted by the Commission) shall be applicable for the project commissioned during April-September. Similarly, the average tariff, available as on 1st October (as discovered in the Competitive Bidding by GUVNL during previous six months April-September and adopted by the Commission) shall be applicable for the project commissioned during October-March.*

.....”

Shall be substituted by following para;

*“3.1 Tariff Framework*

.....  
.....  
.....  
*The average tariff, available as on 1st April (as discovered in the Competitive Bidding by GUVNL during previous six months October-March and adopted by the Commission) shall be applicable for the projects commissioned **under PPAs signed** during April-September. Similarly, the average tariff, available as on 1st October (as discovered in the Competitive Bidding by GUVNL during previous six months April-September and adopted by the Commission) shall be applicable for the projects commissioned **under PPAs signed** during October-March.*

.....”

5. The Commission has also received representations for clarification in certain Clauses of the Order aligning with the State Government policies, hence the Commission proposes following modifications in the existing Clauses so as to provide more clarity as under;

**i. Existing Clause:**

*“3.2(c) Useful life of Plant*

*The Useful Life for the Solar Power Projects to be commissioned during the new Control Period shall be considered as 25 years.”*

**Substituted by:**

*“3.2(c) Useful life of Plant*

*The Useful Life for the Solar Power Projects to be commissioned **under PPAs signed** during the new Control Period shall be considered as 25 years.”*

**ii. Existing Clause:**

*“3.2(e) Eligibility Criteria*

*The Solar power projects commissioned and PPAs signed during the new control period will be eligible to sell power to distribution licensees of Gujarat at the tariff approved by the Commission under this Tariff framework.”*

**Substituted by:**

*“3.2(e) Eligibility Criteria*

*The Solar power projects **to be commissioned under** PPAs signed during the new control period will be eligible to sell power to distribution licensees of Gujarat at the tariff approved by the Commission under this Tariff framework.”*

**iii. Existing Clause:**

*3.10(ii) For the Solar Power Projects set up by MSME (Manufacturing) Enterprise above 50% of its contracted demand, 100% of Cross-Subsidy Surcharge and Additional Surcharge as applicable to normal Open-Access Consumers shall be applicable.*

**Substituted by:**

*3.10(ii) For the Solar Power Projects set up by MSME (Manufacturing) Enterprise above 50% of its contracted demand **in case of third party sale**, 100% of Cross-Subsidy Surcharge and Additional Surcharge as applicable to normal Open-Access Consumers shall be applicable.*

The Commission publishes this draft Suo-Motu Order to remove difficulties for implementation issues and to provide more clarity on certain clauses based on representations received from various stakeholders and invites comments from interested persons and stakeholders.

Stakeholders may offer their comments on or before 15<sup>th</sup> July, 2020.

Place: Gandhinagar

Date: 30/06/2020

Sd/-  
Director  
GERC