

of Punjab. The cost of both biomass and bagasse fuel considered is on a steeper side as compared to the actual cost of the said fuels in the State of Punjab. They commented that the Commission has fixed a higher base price, and consequently a higher price after application of escalation index for biomass and bagasse Fuel for the State of Punjab without taking into account the actual fuel price.

Analysis and Decision

9.3 The fuel cost for generic tariff determination is as per the RE Tariff Regulations. Review of the fuel cost is outside the scope of the present exercise of determination of levelled generic tariff. However, next control period is due and the fuel cost of various technologies will be reviewed as part of the exercise of finalisation of RE Tariff Regulations for the next control period.

10. Capital Cost of Bagasse based Cogeneration Plants

Commission's Proposal

10.1 Regulation 39 of the RE Tariff Regulations has specified normative capital cost for the Non-Fossil Fuel Based Cogeneration Projects as Rs.492 lakh/MW for FY 2022-23.

Comments Received

10.2 Tirupati Sugars Ltd. submitted that there is an increase in cost of iron materials, labour, land, equipment, etc. for the construction of project. So, the Commission should consider to increase per MW Capital Cost in proportion of Price Index announced by Govt. of India.

Analysis and Decision

10.3 As explained in the proposal, the Commission has retained the Capital cost based on the data received from the various institutions like IREDA, PFC, SECI and review of various tariff orders of the RE technologies issued by SERCs. Hence, no change in the Capital cost is required. However, the capital cost of various technologies will be reviewed as part of the exercise of finalisation of RE Tariff Regulations for the next control period.

11. Capital Cost of Small Hydro ProjectCommission's Proposal

11.1 Normative capital cost for small hydro projects for FY 2022-23 in accordance to Regulation 27 (1) of the RE Tariff Regulations as under:

Region	Projects Size	Capital Cost (Rs.Lakh/MW)
Himachal Pradesh, Uttarakhand, West Bengal, Union Territory of Jammu and Kashmir, Union Territory of Ladakh and North Eastern States	Below 5 MW	1100
	5 MW to 25 MW	1100
Others States	Below 5 MW	780
	5 MW to 25 MW	900

Comments Received

11.2 Venika Green Power Pvt. Ltd. commented that the steel and cement prices have increased and most of the SHPs are in remote areas so the cost of transmission line is also high due to non-availability of substations nearby places. So, for other States in the category of 5 MW to 25 MW capital cost should be at least 1100 lakhs/MW.

Analysis and Decision

11.3 After reviewing various tariff orders of the RE technologies issued by SERCs and data received from the various institutions like IREDA, PFC, SECI it led to conclude that capital cost should remain unchanged. However, the capital cost of various technologies will be reviewed as part of the exercise of finalisation of RE Tariff Regulations for the next control period.

12. Capital Cost of Biomass Based Rankine Power PlantCommission's Proposal

12.1 The Commission, under Regulation 31 of the RE Tariff Regulations has specified the normative capital cost for Biomass based Power Projects for FY 2022-23, as under

Biomass Rankine Cycle Projects	Capital Cost (Rs lakh/ MW)
Project [other than rice straw and juliflora (plantation) based project] with water cooled condenser	559
Project [other than rice straw and Juliflora(plantation) based project] with air cooled condenser	600
For rice straw and Juliflora (plantation) based project with water cooled condenser	611
For rice straw and Juliflora (plantation) based project with air cooled condenser	652

Comments Received

12.2 SAEL commented that the Commission should consider certain crucial factors for escalation of capital cost. The growth in cement and steel prices have been attributed to the increase in input costs such as power and fuel as well as increase in freight expenses has also lead to increase in the expenditure incurred towards building and civil works. So, proposed capital cost of Rs. 652 Lakh/MW for biomass-based power projects using rankine cycle technology (with air cooled condensers) commissioning in FY 2022-23 does not seem to be aligned with the actual market dynamics and trends. So, they have requested to reconsider the capital cost.

12.3 The Hind Samachar Limited requested that there should be escalation in the capital cost for Biomass Power projects based on rice straw using Rankine Cycle Technology. Proposed capital cost is not aligned with the actual market dynamics and trends. Capital Cost incurred by HSL is Rs. 1046 Lakh /MW

Analysis and Decision

12.4 After reviewing various tariff orders of the RE technologies issued by SERCs and