

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

**Case No: HERC / Petition No. 40 of 2023
Suo Motu**

Date of Order 28.07.2023

In the Matters of:

Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021.

AND

In the matter of

Determination of tariff / Indicative tariff for the RE power projects, as per the eligibility criteria specified in HERC RE Regulations, 2021, on the basis of suo-motu proceedings for the RE Power Projects commissioned / to be commissioned in the FY 2023-24.

Quorum

**Shri R.K. Pachnanda
Shri Naresh Sardana**

**Chairman
Member**

ORDER

1. The Commission had notified the Haryana Electricity Regulatory Commission (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2021 (hereinafter referred to as RE Regulations 2021) on 30th April 2021. As per regulation 4 of the said Regulations "the Control Period for the purpose of tariff determination under these Regulations shall be from the FY 2021-22 to the FY 2024-25". Further, regulation 9 of the said Regulations provides as under: -

" 9. Tariff Design. –

(1) The generic tariff, for the control period as per these Regulations, shall be determined, for the entire tariff period/useful life of the project.

*Provided that for renewable energy projects having single part tariff with two components viz. **fixed cost component shall be determined on levelized basis considering the year of commissioning of the project while fuel cost component shall be determined on annual basis** (emphasis added). and the same shall also be*

prospectively (i.e. from the date of the Order) applicable for the projects commissioned during the previous control periods”.

2. The Commission observes that the various components of fixed cost and variable cost for determination of tariff, are already specified in the HERC RE Regulations, 2021. Hence, the same is not being re-produced here.
3. Additionally, the fuel cost stands determined in the Commission’s order dated 21st March, 2022 (Case No. HERC / Petition No. 52 of 2021) and 05.08.2022 (Case No. HERC / Petition No. 30 of 2022), applicable for the FY 2021-22 and FY 2022-23 as per the said order.
4. Regulation 17(3) of the HERC RE Regulations, 2021, in vogue, provides as under: -
“Normative O&M expenses allowed during the first year of the Control Period under these Regulations shall be escalated at the rate of 2.93% per annum over the Tariff Period.”
5. Further, Regulation 38 of the HERC RE Regulations, 2021, in vogue, provides as under: -
*“**Fuel Cost.** – Biomass fuel price during first year of the Control Period shall be Rs. 3000 /MT and shall be escalated at the rate of 2.93% per annum for arriving at the levelised tariff for the entire useful life of the project.”*
6. Subsequently, the Commission, vide its order dated 21.03.2022, had determined the cost of biomass mix fuel as Rs. 3313.94/MT and cost of paddy straw as Rs. 3113.14/MT, for the FY 2022-23, based on the report of MDU, Rohtak dated October, 2021.
7. The Commission observes that since the cost of fuel has already been determined, for the FY 2022-23, as per the HERC RE Regulations, 2021 in vogue and extensive study by MDU, Rohtak, the same needs to be escalated by 2.93% per annum to arrive at the cost of fuel for the FY 2023-24.
8. The Commission further observes that the cost of fuel for the FY 2023-24, has not been determined afresh. Rather the same is determined based on the cost of fuel for the FY

2022-23, escalated by 2.93% per annum, as provided in the regulations in vogue. Therefore, the suggestions and objection from public are not required to be considered. Further, the matter does not warrant a public hearing.

9. Accordingly, the tariff determined for the FY 2023-24, comprising of levelized fixed cost for the entire useful life of the projects and fuel cost for the FY 2023-24, considering the escalation factor of 2.93% over the O&M cost and fuel cost determined for the FY 2022-23, is as under: -

FY 2023-24	Fuel Cost	Tariff (Fuel Cost)	Tariff (Levelized Fixed Cost)	Total Tariff for the FY 2023-24	Levelized (Useful Life)
RE Technology	(Rs. /MT)	INR/kWh	INR/kWh	INR/ kWh	Indicative INR / kWh
Biomass (Air Cooled - TG, 100% Paddy Straw)	3,204	4.93	2.70	7.63	8.70
Biomass (Air Cooled - AFBC, 100% Paddy Straw)	3,204	4.85	2.69	7.54	8.59
Biomass (Water Cooled - TG, 100% Paddy Straw)	3,204	4.82	2.56	7.38	8.43
Biomass (Water Cooled - AFBC, 100% Paddy Straw)	3,204	4.74	2.55	7.29	8.31
Biomass (Air Cooled - TG, Biomass Mix)	3,411	5.16	2.52	7.67	8.79
Biomass (Air Cooled - AFBC, Biomass Mix)	3,411	5.08	2.51	7.59	8.69
Biomass (Water Cooled - TG, Biomass Mix)	3,411	5.04	2.38	7.42	8.51
Biomass (Water Cooled - AFBC, Biomass Mix)	3,411	4.97	2.37	7.34	8.42
Bagasse Co-generation (Sugar Mills)	2,059	3.60	2.41	6.01	6.79
Biomass / Non-Bagasse Cogeneration	3,411	4.33	1.71	6.04	6.97
Biomass Based Gasifier	3,411	4.74	2.32	7.05	8.08
Biogas	705	2.40	2.94	5.35	5.87

10. All the terms and conditions of the HERC RE Regulations, 2021 shall be applicable. Hence, the above tariff has to be necessarily read with the terms and conditions of the said Regulations. The tariff (fuel cost -Rs./kWh), determined above, shall also be applicable for the existing projects, w.e.f. 01.04.2023, to whom generic tariff as determined by this Commission, is applicable.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 28.07.2023.

Date: 28.07.2023
Place: Panchkula

(Naresh Sardana)
Member

(R.K. Pachnanda)
Chairman