

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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Extension of MERC (Renewable Energy Tariff) Regulations, 2019 for Second Review Period of FY 2025-26 to FY 2029-30

ORDER

Dated: 30 January 2025

1. The Commission has notified the MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2019, ('RE Tariff Regulations, 2019') on 30 December 2019 after following due process. These Regulations have become applicable from 1 April 2020 for determination of tariff for RE Technologies. The first Review Period under these Regulations is of five (5) financial years (FY), from FY 2020-21 up to the end of FY 2024-25.
2. As per Regulation 7.1 of RE Tariff Regulations, 2019, Tariff for following types of RE Projects shall invariably be determined through a transparent process of competitive bidding in accordance with the Guidelines issued by the Central Government under Section 63 of the Act:
 - (a) Wind Energy Power Projects;
 - (b) Solar PV Power Projects;
 - (c) Non-Fossil Fuel-based Co-Generation;
 - (d) Biomass based Projects;
 - (e) Hybrid RE Power Projects.

Thus, for all the above RE Technologies, the Commission will not be determining the Generic Tariff under the Regulations and will only adopt the tariff discovered through transparent competitive bidding process as has been specified in the RE Tariff Regulations, 2019.

3. Scope of determination of Generic Tariff under RE Tariff Regulations, 2019 is limited to notification of the generic tariff for Solar Roof-top PV and determination of variable charge for Biomass and non-fossil fuel-based Co-generation Projects.
4. As regards generic tariff for Solar Roof-top PV power project, it only envisages notification of tariff as per the Regulations 7.1 of the RE Tariff Regulations, 2019.
5. As regards determination of variable charges for Biomass and Non-fossil fuel-based Co-generation Projects, the Regulations envisage such determination only for existing projects whose Energy Procurement Agreements (EPAs) are signed based on Generic Tariff determined by this Commission in the past. For the existing Projects which are covered under competitive

bidding and all future projects, which shall be through competitive bidding only or EPAs whose tariff are pegged to competitively discovered tariff, such Commission determined variable charges are not be applicable.

6. First Review Period under MERC RE Tariff Regulations, 2019 is ending on 31 March 2025. Under such circumstances, RE Tariff Regulations 2019 has provided following options:

“5. Review Period

5.1 These Regulations shall be applicable with effect from April 1, 2020.

5.2 The first Review Period under these Regulations shall be five (5) financial years (FY), from FY 2020-21 up to the end of FY 2024-25.

5.3 At the end of the first Review Period, the Commission may, either extend the applicability of these Regulations for a further period with any modifications through Order, or decide to notify new Regulations for subsequent period:

Provided that, the principles and tariff norms specified in these Regulations shall continue to apply until either the applicability of these Regulations are extended by the Commission through Order or new Regulations are notified, subject to any adjustments that may be specified therein.”


Thus, the Commission can either extending RE Tariff Regulations 2019 for next Review Period or frame new Regulations.

7. As noted in earlier part of this Order, tariff for most of the RE technologies are mandated to be discovered through competitive bidding only. In such scenario of competitive bidding process becoming dominant option of tariff discovery, RE Tariff Regulations has limited use.
8. Considering above circumstances, the Commission is of the opinion that RE Tariff Regulations 2019 in present form is serving the intended purpose and hence said Regulations can be extended to further period.
9. **Accordingly, the Commission hereby extends the applicability of RE Tariff Regulation 2019 to Second Review Period of FY 2025-26 to FY 2029-30.**

Sd/-
(Surendra J. Biyani)
Member

Sd/-
(Anand M. Limaye)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Dr. Rajendra G. Ambekar)
Secretary

