

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
Tel. 022 22163964/65/69 Fax 22163976
Email: mercindia@merc.gov.in
Website: www.mercindia.org.in / www.merc.gov.in

CASE Nos. 119 of 2016

Date: 27 April, 2017

Coram: Shri. Azeez M. Khan, Member

Shri. Deepak Lad, Member

Petition of Shri Taraprakash Prabhakar Vartak under Section 61 (h), 62(1) (a) and 86(1)(e) of EA 2003 for determination of generic Capital cost for Mini and Micro Hydro power projects for sale of electricity to Distribution Licensees of Maharashtra under BOT Policy of Water Resources Department, GoM.

Shri. Taraprakash Prabhakar Vartak Petitioner

V/s

- 1) Maharashtra State Electricity Distribution Co. Ltd.
- 2) Tata Power Company Limited (Distribution)
- 3) Reliance Infrastructure Limited (Distribution)
- 4) BEST Undertaking
- 5) Maharashtra Energy Development Agency
- 6) Water Resources Department, Government of Maharashtra. Respondents

Appearance

For the Petitioner : Shri. Taraprakash Prabhakar Vartak
For Respondent No1 : Shri. P.H. Jambhulkar (Rep)
For Respondent No2 : Ms. Ambika Gupta (Rep)
For Respondent No3 : None
For Respondent No4 : Shri. M.M.Davare (Rep)
For Respondent No5 : None
For Respondent No6 : Shri. R.K. Darade (Rep)

For Consumer Representative: : Dr. Ashok Pendse, TBIA

DAILY ORDER

Heard the Representatives of the Petitioner, Respondents and Consumer Representative.

1. Petitioner requested the Commission to determine an appropriate and separate generic capital cost and corresponding tariff for its five Mini and Micro Hydro Power Projects coming up in Maharashtra. He further stated that CERC in its recent Order dated 18 April, 2017 regarding RE Generic Tariff for FY 2017-18 has considered the capital cost for Hydro Electric Projects(HEP) having capacity below 5 MW as Rs.779.00 Lakh/MW. To a query of the Commission about the position of Mini/Micro HEPs in other States of India,

the Petitioner stated that he has no information in this regard, but the Mini/Micro HEPs in the northern States cannot be compared with those in Maharashtra because these States have higher head and corresponding lower capital cost because of smaller size of turbine. Also, these States have a higher CUF (Capacity Utilisation Factor) than in Maharashtra. Petitioner stated that he has developed a design which decreases the civil cost and land acquisition cost, and such type of turbine can be easily installed at KT weirs to harness the untapped Hydro potential available at many KT weirs in Maharashtra. However, the current tariff dispensation is an issue.

2. To a query of the Commission about the surrender/cancellation of its three Hydro Projects to Water Resources Department, the Petitioner stated that it is a routine procedure of that Department to issue a letter when the Projects are not developed in the stipulated time, and such projects can be considered if the Developer approaches the Department once again.
3. MSEDCL stated that the Petitioner had not submitted objections/comments on the draft RE Tariff Regulations, 2015 in which, there is no provision for separately determining the capital cost of Mini/Micro HEPs. Also, the RE Tariff Regulations, 2017 of CERC have not provided for separate determination of capital cost of Mini/Micro HEPs. MSEDCL has submitted the comparison of the tariff determined by four SERC's and CERC for Hydro Projects having capacity below 5 MW, and stated that the Tariff determined by this Commission is on the higher side. MSEDCL further stated that seeking such separate determination of capital cost and tariff amounts to seeking review/amendment of the RE Tariff Regulations, 2015.
4. TPC-D stated that it has filed its Reply on 14 February, 2017. Unless a comprehensive prudence check of the associated costs for Mini and Micro HEPs is carried out, any increase in Tariff will lead to an unwarranted burden on consumers. With respect to RPO targets of Discoms and difficulty in tie-up of Mini/Micro power, a comprehensive solution is needed to promote the development of such projects.
5. BEST did not offer any comments. The representative of GoMWRD stated that subsidy may be allowed to be retained by the Developer for promoting the development of Mini/Micro HEPs in Maharashtra. The Commission observed that the treatment given to Grant, Subsidy or Incentive from the Central/State Government in the RE Tariff Regulations, 2015 is the same as in the RE Tariff Regulations, 2010 but with more clarity as to the manner in which any subsidy received will be adjusted.

Case is reserved for Orders.

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**