

Notification dated 7.11.2008

Bhopal, dated : 22nd October, 2008

No. MPERC-2261-In exercise of the powers conferred by Sub-section (zp) of Section 181(2) read with Section 86(1) (e) of the Electricity Act, 2003(No. 36, 2003) enacted by the Parliament, the Madhya Pradesh Electricity Regulatory Commission hereby makes the following Regulations:-

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
(Cogeneration and Generation of Electricity from Renewable Sources of Energy)
REGULATIONS, 2008 (G-33 of 2008).**

Short Title and Commencement :

- 1.1 These Regulations shall be called the “Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulation, 2008(G- 33 of 2008)”.
- 1.2 These Regulations shall come into force from the date of their publication in the Official Gazette of the Government of Madhya Pradesh.
- 1.3 These Regulations shall apply to the whole of Madhya Pradesh.

Definitions :

- 1.4 “ABT” means Availability Based Tariff.
- 1.5 “Act” means the Electricity Act, 2003(36 of 2003) and subsequent amendments thereof.
- 1.6 “SLDC” means State Load Despatch Centre as defined in the M.P. Electricity Grid Code.
- 1.7 “Commission” means the Madhya Pradesh Electricity Regulatory Commission.
- 1.8 “Cogeneration” means a process which simultaneously produces two or more forms of useful energy (including electricity).
- 1.9 “Distribution licensee” means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
- 1.10 “MNRE” means Ministry of New and Renewable Energy of the Government of India.

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- 1.11 “Renewable Source” or “ Non-conventional Sources” means renewable electricity generating sources such as small/mini/micro hydel project up to 25 MW capacity, wind, solar, biomass based on 100 % producer gas on combustion route, urban/municipal waste, industrial waste, geothermal, tidal, Ocean Thermal Energy Conversion (OTEC) or other such sources as approved by the MNRE.
- 1.12 “Solar PV power plant” means the Solar Photo Voltaic Power Plant that uses sunlight for direct conversion into electricity through Photo Voltaic technology.
- 1.13 “STU” means the State Transmission Utility.
- 1.14 “Transmission licensee” means a licensee authorised to establish or operate transmission lines.
- 1.15 “UI” means Un-scheduled Interchange.
- 1.16 Unless the context otherwise requires, the words and expressions in this Regulation, shall bear the same meaning as defined in the Electricity Act, 2003 (36 of 2003), the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No. 4 of 2001), and the Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2004.

Purpose of the Regulations :

- 1.17 The purpose of these Regulations is to achieve promotion of electricity generation from Renewable sources of Energy, facilitate connectivity of these generating plants with the grid and to specify a percentage of the total requirement of the distribution licensee that shall be purchased by them from generators of new and renewable sources of energy.

Quantum of Purchase of Electricity from Co-generation and Renewable Sources of Energy:

- 1.18 The minimum quantum of electricity to be purchased by the distribution licensees from Cogeneration and Generation of Electricity from all Renewable Sources of Energy expressed as percentage of their total annual consumption (including third party sale and own use) in the area of supply for all distribution licensees, subject to availability, during the control period ending March,2012 shall be as under:--

Financial Year	Co-generation and other Renewable Sources of Energy		
	Wind (%)	Bio-mass (%)	Co-generation and others (%)
2008-09	5	2	3
2009-10	6	2	2

2010-11	6	2	2
2011-12	6	2	2

Note:- For subsequent years, the Commission may separately specify the minimum purchase obligations for the distribution licensees as the Commission deems fit.

- 1.19 If the Distribution Licensees fulfil the minimum purchase requirements and still have offers from the renewable energy generators including co-generators, then either the Distribution Licensee or the Investors/Developers can approach the Commission for approval of such procurement offers. The Commission is presently not inclined to prescribe the maximum limit, as it does not foresee that in immediate future there would be offers from investors in renewable sources exceeding the prescribed minimum limits.
- 1.20 The condition of minimum purchase requirement for the Distribution Licensee would not be applicable under Force Majure Conditions such as war, strike, lockout, riots act of god or natural calamity etc. so as enable the Distribution Licensee to maintain the supply to its consumers and public services under emergency conditions.
- 1.21 The energy generated by all the renewable sources of energy and co-generation units shall be procured centrally by the M.P. Power Trading Co. Ltd. on behalf of the Distribution Licensees at the rates specified by the Commission from time to time in its tariff order. The energy so procured will be allocated by M.P. Power Trading Co. Ltd. to all distribution licensees in the ratio of total actual energy input in each of them in previous financial year. This arrangement shall remain valid till the Transfer Scheme Rules, 2006 are in Force.
- 1.22 The Power Purchase Agreement (PPA) shall be signed between the developer and the M.P. Power Trading Co. Ltd. who in turn will have back to back power supply agreement with the distribution licensees.
- 1.23 The distribution licensees shall indicate the proposed quantum of purchase of energy from co-generation and all Renewable Sources of Energy for ensuing year of the control period in the application for determination of distribution/retail tariff duly indicating the sources of purchase based on above allocation.

Determination of Tariff of Electricity from Co-generation and Renewable Source :

- 1.24 The Commission shall determine the tariff from time to time for procurement of power from co-generation and all Renewable Sources of Energy for the control period.

Power Purchase Agreement :

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- 1.25 The Power Purchase Agreement period will be of minimum 20 years from the date of commissioning of plant. However, the agreement may be for a shorter period in case the developer opts to supply to the distribution licensees after consuming the electricity for self use/ third party sale for lesser period.
- 1.26 The developers are required to get all the required statutory consents including permission from the Commission before entering into the agreement. Such consent/permission shall have validity for the entire period of the agreement.

Connectivity and Metering :

- 1.27 The co-generation and all Renewable Sources except roof-top Solar PV and bio-gas sources shall be connected to the State Grid at a voltage level of 132/33/11 kV subject to technical suitability determined by the licensee. For Roof-top Solar PV source and bio-gas plant, the connectivity may be allowed at Low Voltage or 11 kV as considered technically suitable by the distribution licensee.
- 1.28 As per incentive policy for encouraging generation of power in Madhya Pradesh through Non-conventional Energy sources (solar, wind, bio-energy etc.) issued vide notification dated 17.10.2006 by the Government of Madhya Pradesh, the power evacuation will be an integral part of the project and all expenses for power evacuation facility shall be borne by the developer. Such infrastructure laid, notwithstanding that cost of which has been paid for by the developer, shall be the property of the concerned licensee for all purposes. The licensee shall maintain it at the cost of the developer and shall have the right to use the same for evacuation of power from any other developer subject to the condition that such arrangement shall not adversely affect the existing developer(s).
- 1.29 The metering for measuring parameters required as per tariff orders issued from time to time shall be installed at generating plant site as per the provisions in the incentive policy notified by the Government of Madhya Pradesh on 17.10.06 for encouraging generation of power in Madhya Pradesh through Non-conventional Energy Sources.
- 1.30 The meter reading will be carried out by the respective Distribution Licensee/Transmission Licensee, as the case may be, where the energy is injected into the system. For the purpose of admitting the bills for payment, MP Tradeco shall accept the certificate given by the Officer designated by the concerned Discom in respect of units injected into the grid.

Open Access for Co-generation and Renewable Sources of Energy:

- 1.31 Any person generating electricity from co-generation and renewable sources shall have open access, subject to availability of adequate transmission capacity to transmission licensee's system within the State on payment of various prescribed charges as per Open Access Regulations under Section 42 of the Act subject to the provisions of the Government of M.P. incentive policy for encouraging generation of power in M.P. through Non-conventional Energy Sources notified on 17.10.06.

Scheduling of Co-generation and Renewable Sources of Energy:

- 1.32 The generation from Co-generation and Renewable Sources of Energy shall be excluded from the ambit of “merit order dispatch principles”.

Drawing power during shut down by Co-generation and Renewable Sources:

- 1.33 The Co-generation and Renewable Sources would be entitled to draw power exclusively for its own use from the Distribution Licensee’s network during shutdown period of its plant or during other emergencies. The energy consumed would be billed at the rate applicable to temporary connection under HT Industrial Category.

Other applicable conditions:

- 1.34 The Payment mechanism shall be as prescribed by the Commission in the tariff orders issued/to be issued from time to time.
- 1.35 The Reduction in contract demand by such consumers of the distribution licensees who are availing power supply from non-conventional sources of energy shall be allowed as per the provisions in the Government of M.P. incentive policy for encouraging generation of power in M.P. through Non-conventional Energy Sources notified on 17.10.06.
- 1.36 The banking in respect of captive generators and third party suppliers shall be allowed as per the provisions in the Government of M.P. incentive policy for encouraging generation of power in M.P. through Non-conventional Energy Sources notified on 17.10.06.
- 1.37 Wheeling charges, cross subsidy surcharge and applicable surcharge on wheeling charges shall be applicable as decided by the Commission from time to time.
- 1.38 Reactive energy charges will be payable by all co-generation and renewable sources of energy as determined by the Commission from time to time. These charges would be paid by the developer to the distribution licensees in whose territorial area the generating unit is located.
- 1.39 In the event of any dispute, the matter shall be referred to the Commission whose decision in this regard shall be final.

Power to Amend:

- 1.40 The Commission may at any time, add, vary, alter, modify or amend any provisions of these Regulations.

Power to Remove Difficulties:

- 1.41 The Commission may suo moto or on an application from any person generating electricity from Co-generation and Renewable Sources or distribution licensee, review these Regulations and pass appropriate orders to remove any difficulty in implementing the provisions of these Regulations.

Savings:

- 1.42 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.
- 1.43 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Electricity Act 2003 (36 of 2003) a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 1.44 Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Electricity Act 2003 (36 of 2003) for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

By the order of the Commission

**(Ashok Sharma)
Commission Secretary**