

CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 255/2010 (Suo-motu)

Coram: Dr. Pramod Deo, Chairperson

Shri S. Jayaraman, Member

Shri V.S. Verma, Member

Shri Deena Dayalan, Member

Date of hearing: Suo- Motu

Date of Order: 15th September, 2010

In the matter of

Determination of Benchmark Capital Cost Norm for Solar PV power projects and Solar Thermal power projects applicable during FY 2011-12

ORDER

1. The Commission has notified the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 (hereinafter "the RE Tariff Regulations") on September 16, 2009. The first proviso of the Regulation 5 of the RE Tariff Regulations provides that the Commission may annually review the benchmark capital cost norm for Solar PV and Solar thermal power projects.
2. The Benchmark Capital Cost Norms as stipulated under Regulation 57(1) for Solar PV power project and under Regulation 61(1) for Solar thermal power project are applicable for solar power projects to be commissioned during FY 2009-10 (i.e. upto March 31, 2010).
3. Subsequently, as per Regulation 5, Commission had reviewed, vide the Order dated 25.02.2010 in Petition no. 13/2010, benchmark capital cost for Solar PV power projects at Rs.1690 Lakh/MW for the FY 2010-11. Further as per the first amendment to RE Regulations, the generic tariff determined for solar PV projects based on the benchmark capital cost and other norms applicable for 2010-11 shall also be applicable for such projects commissioned during 2011-12 subject to the condition that the power

purchase agreement (PPA) is signed on or before 31.03.2011 and entire capacity covered under the PPA is signed on or before 31.03.2012.

4. In the above referred Order, the Commission had also reviewed benchmark capital cost for Solar Thermal Power projects at Rs.1530 Lakh/MW for the FY 2010-11. Further as per the first amendment to RE Regulations, the generic tariff determined for solar thermal projects based on the benchmark capital cost and other norms applicable for 2010-11 shall also be applicable for such projects commissioned during 2011-12 2012-13 subject to the condition that the power purchase agreement (PPA) is signed on or before 31.03.2011 and entire capacity covered under the PPA is signed on or before 31.03.2013.
5. In exercise of the power under the Regulation 5 of RE Tariff Regulations, the Commission hereby proposes that the Benchmark Capital Cost Norm for Solar PV power projects for the year 2011-12 shall be Rs. 14.42 Crore per MW and Benchmark Capital Cost Norm for Solar thermal power projects for the year 2011-12 shall be Rs. 15 Crore per MW.
6. The rationale for proposing the above Benchmark Capital Cost Norm for Solar PV power projects and Solar thermal power projects has been elaborated in enclosed Explanatory Memorandum.
7. It is important to note that the Tariff for Solar PV power projects and Solar thermal power projects whose PPA to be signed after 31st March 2011, shall be based upon these Benchmark Capital Cost Norms (to be finalised) and other parameters in accordance with stipulations under the RE Tariff Regulations.
8. Comments /suggestions of the stakeholders on the above proposals are invited by 10th October, 2010.

Sd/-	Sd/-	Sd/-	Sd/-
[M. Deena Dayalan]	[V. S. Verma]	[S. Jayaraman]	[Dr. Pramod Deo]
Member	Member	Member	Chairperson