

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.196/MP/2015

Coram:

Shri Gireesh B.Pradhan, Chairperson

Shri A.K.Singhal, Member

Shri A.S.Bakshi, Member

Dr. M.K.Iyer, Member

Date of Order : 2.9.2015

In the matter of:

Miscellaneous petition under Sections 61,62, 64 and 86 (1)(e) of the Electricity Act, 2003 read with Section 178 (2) (s) and Regulation 8 (1) of the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012 praying for the Hon`ble Commission to use its suo-motu powers for enacting suitable regulations for terms and conditions for the fixation of the norms for determination of generic tariff for electricity generation from Rankine Cycle Combustion Based Power Plants utilizing MSW that shall be considered to include Municipal Solid Waste (MSW) and its derivatives, including Refused Dervied Fuel (RDF) as fuel.

And

In the matter of:

Waste Management Association
4th Floor, Gopaldass Bhawan,
Barkhamba Road, New Delhi 110 001

....Petitioner

ORDER

The petitioner, Waste Management Association, has filed this petition seeking amendment to the the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from

Renewable Energy Sources) Regulations, 2012 (RE Regulations). The petitioner has made the following prayers:

“(i) Initiate suo-motu proceedings for specifying the terms and conditions for determination of generic tariff for MSW based projects in India, taking into consideration the submissions of the Applicant in this Petition.

(ii) The Commission may also grant the following additional prayers:

(a) The applicable tariff would be applicable to new and existing WtE Power Plants;

(b) WtE project would be outside the purview of scheduling in the line of CERC RE Regulations as the calorific value of MSW is highly variable, it would not be possible to adhere to scheduling of power input to the grid, it is therefore WtE plant be taken out from the deviation settlement mechanism.

(c) CDM benefit to accrue to generator only as all project documentation, validation and verification requirements are being made and processed by the generator and MSW is being either purchase or processed separately internally whose cost are not considered.

(iii) Pass such other orders and/or directions in favour of the Applicant as this Hon`ble Commission may deem fit and proper in the facts and circumstances of the case.”

2. The petitioner has submitted that in the RE Regulations the norms for wind power project, small hydro project, bio-mass project based on Rankine Cycle technology, non-fossil fuel based co-generation plants, solar photo voltaic, Solar thermal power projects, biomass gasifier based power projects and bio-gas based power projects have been specified. The

Commission has determined the tariff of these project vide order dated 28.2.20113 in Petition No. 243/SM/2012. RE Regulations further provides that for renewable projects other than those covered in Regulation 8, developers are required to apply for project specific tariff. The petitioner has submitted that in the absence of clear guidelines for determination of tariff for electricity generated by MSW based projects, the project specific tariff approach has led to widely varying and unsustainable tariff from different SERCs. This acts as a disincentive to the MSW projects developers who are struggling with unrealistical low return and are unable to arrange for significant investment in the sector. The petitioner has submitted that various SERCs have acknowledged the need for uniform standards regarding determination of tariff for MSW projects.

3. The petitioner has submitted that in order to determine the generic tariff for the Rankine Cycle Combusting based power plants utilizing MSW, the Commission should consider the capital cost, plant load factor, station heat rate, depreciation, working capital, interest on long term debt and working capital, auxiliary consumption, O & M expenses, debt-equity ratio and return on equity mentioned in the petition. The petitioner has proposed that all other elements for determining generic tariff for the Rankine Cycle Combustion Based Power Plant Utilizing MSW which are not otherwise specifically covered under Regulation 7 of RE Regulations should be

determined on the same principles that have already been determined by the Commission for Biomass power projects on Rankine Cycle.

4. We have perused the petition. There is no provision in the RE Regulations regarding determination of tariff of the renewable energy generating plants based on municipal solid waste. The first prayer of the petitioner is for initiation of suo-moto proceedings for specifying the terms and conditions for determination of generic levelised tariff for MSW based projects in India.

5. The Commission has initiated action for specifying the terms and conditions for determination of generic tariff for Municipal Solid Waste/Waste to Energy projects and indicative tariff for 2015-16 through draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) (Fourth Amendment) Regulations, 2015. The Commission has invited comments/suggestions/objections from the stakeholders by 10.9.2015. Public hearing on the draft regulations is also scheduled on 18.9.2015. The regulations will be finalized and notified after considering the comments/suggestions/objections received in response to the draft regulations. Therefore, the first prayer of the petitioner no more survives.

6. The petitioner has made certain additional prayers in para 9 (ii) of the petition which pertain to applicability of the tariff for the new and existing WtE power plants, exemption of MSW plants from scheduling and accrual of CDM inputs to the MSW plants. Since these points pertain to tariff of MSW plants, the petitioner may submit its suggestions on these points along with response to the draft amendment.

7. The petition is disposed of in terms of the above.

Sd/-
(Dr. M.K.Iyer)
Member

sd/-
(A.S.Bakshi)
Member

sd/-
(A.K.Singhal)
Member

sd/-
(Gireesh B.Pradhan)
Chairperson