



*West Bengal State Electricity Distribution Company Limited*

**(A Government of West Bengal Enterprise)**

Vidyut Bhavan (4th floor) DJ Block, Sec-II Salt Lake, Kolkata- 700 091

CIN: U40109WB2007SGC113473, Web: [www.wbsedcl.in](http://www.wbsedcl.in),

e-mail: [cereg.wbsedcl@gmail.com](mailto:cereg.wbsedcl@gmail.com)

Telephones : 2359-8391, Extn - 364 Fax: 033-2334-5862

**Regulation Cell**

**Memo. No. : REG/CERC/ 48**

**Date :14/03/2024**

To  
The Secretary, CERC,  
3<sup>rd</sup> & 4<sup>th</sup> Floor,  
Chanderlok Building, 36, Janpath,  
New Delhi-110001.

Sub: Comments/suggestion of WBSEDCL on the draft Central Electricity Regulatory Commission (Terms and Conditions for determination from Renewable Energy Sources) Regulations, 2024.

Ref: Public Notice under Memo No. RA-14026(11)/1/2023-CERC dated 17.02.2024 of CERC.

Sir,

With refernce to above comments/suggestion of WBSEDCL on the draft Central Electricity Regulatory Commission (Terms and Conditions for determination from Renewable Energy Sources) Regulations, 2024 is attached for your consideration, please.

Encl: As stated

Yours faithfully,

  
( K. K. Maiti )  
Chief Engineer (Regulation)

**Observation/ Views of WBSEDCL on Draft CERC (Terms and Conditions of Tariff determination from Renewable Energy Sources) Regulations, 2024**

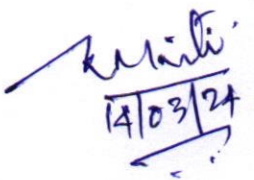
**Ref: Public Notice vide No. RA-14026(11)/1/2023-CERC dated 17.02.2024 of CERC.**

Observations / Views on specific clauses of the Draft CERC (Terms and Conditions of Tariff determination from Renewable Energy Sources) Regulations, 2024 is furnished hereunder:

Clause No.	As per the Draft CERC (Terms and Conditions of Tariff determination from RE Sources) Regulations, 2024	Views/Comments of WBSEDCL
2 )1) y)	<b>'Renewable energy source'</b> means and includes sources of renewable energy such as hydro, wind, and solar, including its integration with combined cycle, biomass, biofuel cogeneration, urban or municipal waste, and such other sources as recognised or approved by the Central Government ;	No definition regarding "biofuel cogeneration" is present in this Regulation. Therefore, for more clarity it is suggested that definition of "biofuel cogeneration" may be incorporated.
11.	<b>Treatment for Over-Generation.</b> In case a renewable energy project, in a given year, generates energy in excess of the capacity utilization factor or plant load factor, as the case may be specified under these Regulations, the renewable energy project may sell such excess energy to any entity, provided that the first right of refusal for such excess energy shall vest with the concerned beneficiary. In case the concerned beneficiary purchases the excess energy, the tariff for such excess energy shall be equal to the tariff applicable for that year.	It is suggested that the tariff of excess energy shall be limited to <b>75 percent</b> as per CERC (Terms and Conditions of Tariff determination from RE Sources) Regulations, 2020 for the benefit of the consumers.
16.	<b>Return on Equity</b> (2) The normative Return on Equity for renewable energy projects other than small hydro projects shall be 14%, and that for the small hydro projects shall be 14.5%. The normative Return on Equity shall be grossed up by the latest available notified Minimum Alternate Tax (MAT) rate for the first 20 years of the Tariff Period and by the latest available notified Corporate Tax rate for the remaining	It is suggested that RoE should be 14% for all type of RE generation project as per CERC (Terms and Conditions of Tariff determination from RE Sources) Regulations, 2020 for the benefit of the consumers.

*K. Mani.*  
14/03/24  
Engineer (Regulation)  
Regulation Department  
WBSEDCL  
Page 1 of 2

Clause No.	As per the Draft CERC (Terms and Conditions of Tariff determination from RE Sources) Regulations, 2024	Views/Comments of WBSEDCL
	Tariff Period.	
17.	<p><b>Interest on Working Capital</b>  (4) Interest on Working Capital shall be at an interest rate equivalent to the normative interest rate of three hundred and twenty-five (325) basis points above the average State Bank of India Marginal Cost of Funds based Lending Rate (MCLR) (one-year tenor) prevalent during the last available six months.</p>	<p>Considering SBI MCLR as on 15.12.2023 and 15.01.2024 @ 8.65% for one year tenure and maximum interest rate of 11.40% as mentioned in Explanatory Memorandum, 325 basis point should be replaced by 275 basis point.</p>
19.	<p><b>Operation and Maintenance Expenses:</b>  (2) Normative O&amp;M expenses allowed during the first year of the Control Period, i.e. financial year 2024-25, under these regulations, shall be escalated at the rate of 5.89% per annum for the Tariff Period.</p>	<p>It is suggested that escalation % should be in line with CERC Tariff Regulation, 2024 to be published.</p>

  
14/03/24,  
Chief Engineer (Regulation)  
Regulation Department  
WBSEDCL