

DRAFT INVITING OBJECTIONS, SUGGESTIONS AND COMMENTS

Part-III

Laws, Regulations and Rules passed there under

Jammu & Kashmir

State Electricity Regulatory Commission

Notification

No. JKSERC/2010

Jammu Dated: - 14th May, 2010

In exercise of the powers conferred under section 36 read with section 8 (1)(c) of the Jammu & Kashmir State Electricity Regulatory Commission Act 2000 and all powers enabling it in this behalf, the Jammu & Kashmir State Electricity Regulatory Commission hereby makes the following Regulations, namely:-

1. Short title and commencement

- (i) These Regulations may be called J&KSERC (Power Procurement from Renewable Sources) Regulations, 2010.
- (ii) These Regulations extend to the whole of the State of Jammu and Kashmir.
- (iii) These Regulations shall be applicable to the Distribution Licensees in the State of Jammu & Kashmir. However, till such time as the PDD or any licensee is engaged in the activity of bulk purchase and sale of electricity to distribution licensees, these regulations shall be applicable to such PDD/Licensee.
- (iv) These Regulations shall come into effect from the date of notification in the Gazette.

2. Definitions and Interpretations

2.1 In these Regulations, unless the context otherwise requires:-

- a. "Act" means the Jammu and Kashmir State Electricity Regulatory Commission Act 2000.
- b. "Buyer" means:
 - i. A Distribution Licensee
 - ii. ST&DU or any other Licensee engaged in the activity of bulk purchase and sale of electricity to distribution licensee/s.

- c. "Commission" means Jammu & Kashmir State Electricity Regulatory Commission.
- d. "Distribution Licensee" means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
- e. "Licensee" means a person who has been granted licence under section 8 of the Act.
- f. "Renewable sources" in this context means non-conventional, renewable electricity generating sources such as mini-hydel, wind, solar, biomass (including sugar mill co-generation), urban/municipal waste, or other such sources as approved by the Ministry of New and Renewable Energy, Government of India or Government of Jammu and Kashmir.
- g. "State Transmission & Distribution Utility (ST&DU)" means the Power Development Department.

The words or expressions in these Regulations, which are not defined herein, shall have the same meaning as in the Act. In case of inconsistency, the meaning in the Act shall prevail.

2.2 Interpretation

In the interpretation of these Regulations, unless the context otherwise requires:

- a. words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- b. the terms "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" regardless of whether such terms are followed by such phrases or words of like import;
- c. references herein to the "Regulations" shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- d. the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- e. references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

3. Quantum of purchase of electricity from Renewable Sources of Energy

- 3.1 Each Distribution Licensee shall purchase a defined minimum quantum of its total consumption of electricity during a year from renewable sources as per the schedule:-

Year	Minimum Quantum of purchase from renewable sources
2010-11	1%
2011-12	3%
2012-13	5%

- 3.2 Each Distribution Licensee shall indicate, along with sufficient proof thereof, the proposed quantum of purchase from renewable sources for the ensuing year in the ARR filing. The proposed quantum of purchase shall be as per clause 3.1 of this regulation of the approved power purchase quantity for the previous year. Due to increased sale of power in the ensuing year from that of the previous year, there may be a shortfall of the targeted quantum from the quantum that would arise from the increased sale. This amount would need to be added to the targeted quantum for the next year. However credit for excess sale would not be provided in the ensuing year.
- 3.3 While indicating the proposed quantum of purchase from renewable sources, the distribution Licensee shall indicate the sources from which it plans to purchase the specified quantum of purchase. The Buyer shall sources the proposed quantum of electricity from renewable sources within the State.
- 3.4 While contracting power purchase from renewable sources, the priority for purchase shall be on the basis of the date of commercial operation of such generating stations.
- 3.5 The Buyer shall provide adequate payment security mechanism for purchases mentioned above.
- 3.6 The Commission may review the quantum of purchase from renewable sources by a distribution licensee once in every 3 years or at lesser intervals as may be necessary.
- 3.7 The Commission may waive the above minimum quantum targets for the year as per clause 3.1 of this regulation subject to supply constraints or any other uncontrollable factor in the opinion of the Commission, at the request of the Licensee.

- 3.8 If the Buyer defaults in payment for the purchase from any generating company, such generating company shall be at liberty to sell electricity to any other person in accordance with the JKSERC (Open Access) Regulations.

4. Promotion of renewable sources of energy:

- 4.1 Any person generating electricity from renewable sources, irrespective of installed capacity shall have mandatory open access to any Licensee's transmission system and/or distribution system or grid as the case may be. On an application from such person, the transmission licensee or distribution licensee or ST&DU shall provide appropriate interconnection facilities, as feasible, within the time period specified under the standards of performance regulations applicable to respective Licensees. Such interconnection shall follow the grid connectivity Standards as may be specified by the Authority.

5 Determination of Tariff for electricity from Renewable sources:

- 5.1 The Commission shall determine the tariff for purchase of electricity from renewable sources by a Buyer.

Provided further that the Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the State Government / Central Government.

- 5.2 The Commission shall determine the tariff separately for each kind of renewable source . Provided where the tariff has been determined by following transparent process of bidding in accordance with the guidelines issued by the State Government / Central Government, the Commission shall adopt such tariff.
- 5.3 The Commission shall as far as possible be guided by the principles and methodologies, if any, specified by the State Government, CERC, National Electricity Policy and Tariff policy, while deciding the terms and conditions of tariff for renewable sources of energy. The Commission may deviate from the above by giving the reasons in writing in order to accommodate the specific nature of renewable sources.
- 5.4 While determining the tariff, the Commission may, to the extent possible consider to permit an allowance based on technology, fuel, market risk, environmental benefits and social contribution etc., of each type of renewable source.
- 5.5 While determining the tariff, the Commission shall adopt best practice normative parameters for financing cost, O&M and other expenses.
- 5.6 The Commission may follow the process mentioned below for determination of tariff for renewable energy projects:

- i. Invite tariff proposals from Licensees/Generating companies for different categories of renewable energy projects.
- ii. Invite Public response on the proposals of the Licensee/ Generating Companies.
- iii. Public hearing on the above
- iv. Issue order on the Tariff for the purchase of electricity from renewable sources.

6 Power to remove difficulties

- 6.1 The Commission shall *suo motu* or on an application from any person generating electricity from renewable sources or a Buyer/Distribution Licensee may review these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

7. Power to amend

- 7.1 The Commission may from time to time add, vary, alter, modify or amend any provisions of these regulations.

By Order of the Commission

**Sd/-
Secretary
State Electricity Regulatory Commission
J&K, Jammu**