

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. T.M.Manoharan, Chairman
Shri. K.Vikraman Nair, Member

O.P. No.5/2016

In the matter of fixing the tariff for the Municipal Solid Waste (MSW) to Energy Project, Brahmapuram, proposed by Kochi Municipal Corporation.

Applicant : Secretary, Kochi Municipal Corporation Corporation, Cochin.

Order dated 24.11.2016

T M Manoharan, Chairman

1. Kochi Municipal Corporation (hereinafter referred to as the Corporation or the applicant) has, on 23.12.2015, filed an application for the determination of project specific tariff for its 10 MW / 12 MW Municipal Solid Waste (MSW) Power project for the proposed sale of power to KSEB Ltd. The application has been numbered as OA 5/2016. The prayers in the application are the following,-

- (i) *To specify the levelised tariff for the project for the period of 20 years*
- (ii) *Considering the quoted Power Tariff Rate (Base Rate) per kWh of Rs. 15 and Rs. 2 per kWh agreed to be borne by Kochi Municipal corporation, approve the first year's tariff of Rs 13 per unit (Power Tariff Rate -base rate) indexed to inflation to an extend of 60% of variation in Wholesale Price index with reference to the base year ending on 31st December 2014 on an annual basis for the Net Electricity Limited of 250 kWh/ tonne of MSW (Net Energy Limited "shall mean the maximum limit of Net electricity up to which the concessionaire is entitled to receive payment at Power Tariff Rate as set in Schedule 7, from the Authority/ Power Procuring Agency") and comprising levelised cost of Rs. 15.50 per unit of Net Electricity Excess (Net Electricity Excess shall mean the Net electricity in excess of net electricity limited which the concessionaire is free to sell to the Power Procuring Agency and share the proceeds with the Authority as set forth in Schedule 7) for 20 years for sale of power to KSEB Ltd.*
- (iii) *Grant exemption from Merit Order dispatch principles for the project.*

2. The summary of application filed by the Corporation is as follows:

- (1) The present waste treatment facilities at Brahmapuram are not able to dispose the quantum of waste reaching there. The Local Self Government Department (LSGD), Government of Kerala has appointed KITCO as the Transaction advisor for the implementation of the project of generating power under waste to energy technology. The proposal was for Design, Build, Finance, Operate, Transfer (DBFOT) of Municipal Solid Waste to energy project for Kochi City and adjoining areas and the operation and maintenance thereof. The time line given for commissioning of the project is 18 months from signing the Concession Agreement.
- (2) The Corporation invited bids for establishing a project to convert municipal solid waste to energy. Out of the six participants at the RFQ stage, two were selected. Only one company M/s GJ Nature Care and Energy Pvt. Ltd submitted the RFP document. The capital cost of the project is Rs.295 crore for 10 MW. M/s GJ Nature Care and Energy Pvt. Ltd was selected to establish the project using thermal gasification technology.
- (3) Corporation has agreed to supply 300 Metric Ton of un-segregated municipal solid waste per day for 20 years. The net quantity of saleable energy estimated from the project per annum is 47 MU. The proposed technology is to produce refuse derived fuel (RDF) from the MSW and to gasify the same to produce electricity using the steam turbine generator.
- (4) The company is a consortium of GJ Nature Care & Energy Pvt. Ltd, Biomass Power Limited and London Investment Consultancy Ltd. GJ Nature Care & Energy Pvt. Ltd is the lead member and the Biomass Power is the technology provider. The responsibilities of the members of the consortium are as follows:
 - (i) GJ Nature care and Energy Pvt. Ltd – Coordination of project in Kerala, project Management and technical director's role. Direct link with nodal agency and other Government NGO organizations. Responsible for overall project initiation till completion and routine operation and maintenance.
 - (ii) London Investment Consultancy Ltd - project management and financial solution; the company is a financial service providing company.
 - (iii) Biomass Power Limited – Design, Development, construction, testing commissioning and operation of MSW to energy plant at Kochi

The consortium members will incorporate as a Special Purpose Vehicle (SPV) to undertake the project. The concession agreement was signed on 17.2.2016.

- (5) The project requirement was to process a minimum of 300 metric ton of MSW and to produce a minimum quantity of electricity at the rate of 250 kWh/Ton. The tariff quoted by the GJ Nature Care & Energy Pvt. Ltd for the 'net energy limited' (notional energy corresponding to first 250 kWh/ton of MSW proceed) is Rs 15 per unit for the base year 2014 with escalation of 60% of WPI. The energy generated in excess of net electricity limited is called 'net electricity excess' and

the tariff for the net energy excess is to be determined by the Kerala State Electricity Regulatory Commission. KSEB Ltd will purchase the entire energy. The sale proceeds of net electricity excess shall be shared by the 'G J Nature Care & Energy Pvt. Ltd' and 'the Kochi Corporation' in the ratio of 80:20. Out of the quoted rate of Rs. 15/-, Kochi Corporation will bear Rs. 2/- being the existing cost set apart for tipping fee of MSW. Thus the tariff proposed comes to Rs.13/- and Rs.15.50/- for net energy limited and net energy excess respectively.

(6) The process of Gasification Technology consists of (a) waste segregation and drying (b) gasification and (c) power generation.

3. The State Government vide the Government Order G.O (Ms) No. 1/2016/ LSGD dated 04-01-2016 has ordered as follows regarding tariff,-

'The power tariff as per the RFP is Rs. 15 per unit, considering 3.95% projected annual increase in WPI (based on last 2 years) for the project operation period, the levelized value of the payable rate, as per RFP (WPI adjusted quoted rate) works out to Rs. 18.42/ unit. Accordingly, there will be additional financial commitment to the tune of 6.34 crores to the Municipal Corporation of Cochin. The Bharat Petroleum Corporation Ltd has agreed to provide Rs 25 Crore from the CSR fund to fill this viability gap, subject to the final approved by the company's board of directors. It was also proposed to bridge gap from the funds of Suchitwa mission. As per letter read as 7th paper Government have given direction to the Secretary, Kochi corporation to submit an application in the prescribed format to the Chairman, KSERC for obtaining the guidelines for fixing the tariff for the power to be generated from the plant.

Government have examined the matter in detail and are pleased to approve Project of M/s G J Nature Care Consortium submitted by KITCO for the implementation of waste to Energy Project at Bhrahmapuram, Kochi and allied areas at a total cost of Rs 295 crore subject to the condition that if the rate of power tariff of the energy produced from the waste treatment plant at Bhrahmapuram is higher than the average rate fixed by the Electricity Regulatory Commission then the additional amount will be provided by Government through Suchitwa Mission as subsidy'.

4. The Commission has noted that, M/s KITCO has not presented the necessary and sufficient techno-economic particulars of the project to enable the Commission to determine the project specific tariff. Hence the Commission, vide letter No 2454/F&T/2015/KSERC/23 dated 24.2.2016 had directed the Corporation to submit the DPR of the project on or before 4.3.2016. The same has not been submitted by the Corporation.

5. The Commission conducted public hearing on the petition on 18.03.2016 at the IMA Hall, Kaloor, Kochi. About 38 persons from different fields participated in the hearing.

6. There was no authorized representation from the Corporation for the hearing. On request, the Commission allowed M/s KITCO to make presentation of the project. Smt. Sreelatha J Nair, Senior Consultant, KITCO, made a presentation on the proposal. M/s KITCO had submitted that, the present waste treatment facilities at Brahmapuram are not able to dispose the quantum of waste reaching there. The Local Self Government Department (LSGD), Government of Kerala has appointed KITCO as the Transaction advisor for the implementation of the project of generating power under waste to energy Technology. The proposal was for Design, Build, Finance, Operate, Transfer (DBFOT) of Municipal Solid Waste to energy project for Kochi City and adjoining areas and the operation and maintenance thereof. The time line given for commissioning of the project is 18 months from signing the Concession Agreement. It was further submitted that the Corporation agreed to supply 300 Tonne per day of un-segregated Municipal Solid Waste for 20 years and that net quantity of saleable energy per annum is proposed as 47MU. The proposed technology is to produce RDF from the MSW and to gasify the same to produce electricity using the Steam Turbine Generator.
7. The views expressed by the participants during the public hearing are summarized below:
- (i) If Commission approves generic tariff, the Government has to compensate difference between the power tariff as per the RFP and the generic tariff approved by the Commission. In either case the tax payer has to bear the higher cost. No report on environmental impact assessment (EIA) has been presented by the project proponent.
 - (ii) A comprehensive base line study is a prerequisite to implement such project. No such study was reported. Usually, if waste is available more than 500 tons per day, then only gasification technology is suggested for converting waste to energy.
 - (iii) Based on a survey done by the Health Department of the State, about 180 ton of waste would only be available at Kochi. Also, the Government is promoting house hold biogas plants and most of the population is adopting these types of disposal mechanisms. Hence the promised availability of waste is likely to reduce, threatening the project viability. Also, report does not cover any indication that the flue gas emission is within the approved level only.
 - (iv) It is inferred that project cost is to be borne by the company. The rate is comparatively much higher than the similar projects.
 - (v) The project on waste to energy are to be promoted, but the tariff proposed is far above that of similar projects.

- (vi) The waste disposal is the primary issue faced by the inhabitants in Kochi Corporation. The disposal of waste is the main concern rather than power generation.
- (vii) The MSW will be having high moisture content and how it is dried is not clear. As a promotional measure project specific tariff need to be fixed for Renewable Energy projects. Market risk, environmental benefic etc are also to be taken in to account. Private entrepreneurs are to be promoted.
- (viii) There is some ambiguity in allotting the project. The cost is very high and the corporation is bound to provide the raw material to the company.
- (ix) No scientific study was conducted to establish such a project with huge expenditure. Commission may consider whether KSEB Ltd. need to buy this power at such high tariff

8. During hearing, the KSEB Ltd submitted the following;

- (i) The project is envisaged as the PPP project and the private partner is selected through bid process.
- (ii) Commission has to fix tariff under Section 62 for the excess energy generated from the project over and above the quantum offered under bid.
- (iii) The tariff for the similar projects commissioned in Gujarat, Delhi, Maharashtra, Madhya Pradesh ranges from Rs 4.88/ unit to Rs 6.80/unit only.
- (iv) Regulations 17 (4) and 22 of KSERC (Renewable Energy) Regulation, 2015 stipulated that the Commission has to determine the project specific tariff in line with CERC Regulations, until separate principles, norms and parameters are specified by the State Commission.
- (v) The estimated cost of the project of Suchthwa Mission utilizing modern gasifier technology at Chalai, Thiruvananthapuram was Rs15.25 Cr /MW only.
- (vi) KSEB Ltd. is willing to purchase the entire energy at the tariff fixed by the Commission. The energy may be included in the RP obligation of KSEB Ltd. CDM benefits should also be shared with KSEB Ltd.
- (vii) Project developer should explore the possibility of getting assistance from viability gap funding of Government of India.
- (viii) Benefits like Income Tax and Excise duty exemptions are to be passed on to KSEB Ltd.

9. The Corporation has not, so far, submitted the DPR though during the public hearing on 18.03.2016 it was informed on behalf of the Corporation, that the DPR was being prepared.
10. During the hearing the Commission directed that all the stake holders may submit their views to the Commission by e-mail or by post within 30 days i.e, on or before 17th April 2016. Those who participated in the hearing and not made any written submission and those who wish to make any additional submission were also allowed to submit the same by 17th April 2016.
11. Based on the deliberations in the hearing, the Commission vide its daily order dated 30.3.2016 had directed the petitioner to submit the following additional information latest by 18th April 2016.
 - (i) DPR of the project.
 - (ii) The RFP document Volume 1.
 - (iii) The detailed cost estimate of the project.
 - (iv) Detailed report with estimate on evacuation system.
 - (v) Cost benefit analysis on the selection of technology.
 - (vi) Report on the Environment Impact Analysis (EIA).
 - (vii) Assessment of the quantum of MSW available in the Kochi Municipal Corporation and the surroundings and the details of the study.
 - (viii) Composition of MSW available in the Kochi Municipal Corporation and the surrounding area and copy of any studies/ assessment made.
 - (ix) Justification on selecting capacity of the project vis-a-vis the volume of MSW available.
 - (x) Justification of requirement of civil works with details of civil work proposed for stock and land filling
 - (xi) The purpose of utilizing the fossil fuel.
 - (xii) The rationale behind fixing 250kWh/Tonne of MSW as Net Energy Limited and the basis for arriving the same.
 - (xiii) Whether project has availed any viability gap funding schemes by Ministry of finance, Government of India
 - (xiv) Whether there is any financial assistance like subsidies, grants etc from State or Central government
 - (xv) Whether there is any foreign assistance received
 - (xvi) Heat Rate of the project
 - (xvii) Proposed treatment of CDM benefits available or those arise in future.
 - (xviii) Details of excise duty exemption, income tax exemption or any such exemptions
 - (xix) Any other relevant details for determination of project specific tariff.
12. The Secretary, Kochi Municipal Corporation, vide letter No.MOJ2/6224/2014 dated 26.4.2016 informed as follows;

As per the procedures of implementation of PPP projects, the bidder has to prepare the Detailed project Report covering the detailed technical requirements and specifications of project, cost estimate, financial structuring of the project, etc as part of requirement of condition precedent. The bidder has already in the process of preparation of the DPR and scheduled for its completion by 20.5.2016. As the majority of the details called for by the Hon'ble Commission could be made available on completion of the DPR, we humbly pray to the Commission fro allowing date upto 30.5.2016 for submission of details called for as per daily order dated 30.3.2016.

As requested by the petitioner, the Commission granted time upto 30.5.2016 for submitting the additional details sought by the Commission. Since there was no response from the part of the Corporation within the stipulated time, the Commission vide letter dated 5.7.2016 had reminded the petitioner and allowed two more weeks to submit the details. The petitioner, vide its letter dated 5.8.2016, again requested for time upto 20.9.2016 to furnish the details and the Commission allowed the same with the condition that, no further extension shall be granted.

13. The applicants vide letter dated 19.9.2016, once again requested for time upto 31.10.2016 for submitting the details. The Commission vide its letter dated 27-10-2016 has informed the petitioner that, no further extension shall be granted beyond 31-10-2016. However, the petitioner has not submitted the details with in the stipulated time.

Analysis and Decision

14. The petition filed by M/s Kochi Municipal Corporation, is for the determination of the tariff for the proposed MSW Energy project at Brahmapuram. The Commission has examined the proposals as per the provisions of the Electricity Act, 2003, National Tariff Policy 2016, and the relevant regulations issued by the Commission under sub-section (1) of section 181 of the Electricity Act, 2003.
15. The clause (a) of sub-section (1) of Section 86 of the Electricity Act, 2003, empowers the Commission to determine the tariff for generation, supply, transmission and wheeling of electricity within the State. Section 61 of the Act empowers the Commission to issue regulations specifying the terms and conditions for determination of tariff for generation, transmission, distribution and supply in accordance with the guidelines stipulated under the said Section. Section 62 of the Act empowers the Commission to determine tariff for supply of electricity by a generating company to a distribution licensee. Section 64 of the Act prescribes the procedure for determination of tariff and issuance of tariff order. Section 63 of the Act which deals with determination of tariff by bidding process is quoted hereunder, -
'63. Determination of tariff by bidding process.- Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if

such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Commission’.

16. The Central Government has notified the National Electricity Policy under Section 3 of the Electricity Act, 2003. Clause 5.2.20 of the National Electricity Policy is quoted hereunder,

‘5.2.20 Feasible potential of the non-conventional energy resources, mainly small hydro, wind and bio-mass would also need to be exploited fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, efforts will be made to encourage private sector participation through suitable promotional measures’.

17. The Central Government has also notified Tariff Policy 2016. Clause 6.4 (ii) of the Tariff Policy, 2016 is also extracted below,-

‘Distribution Licensee(s) shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own, at the tariff determined by the Appropriate Commission under Section 62 of the Act’.

In view of the statutory provisions and the Policy directives indicated above, it can be seen that the Commission is empowered,-

- (i) to determine project specific tariff for renewable energy under Section 62 of the Act, and
 - (ii) to adopt tariff of renewable energy discovered by the distribution licensee through a transparent bidding process conducted in accordance with the guidelines issued by the Central Government under Section 63 of the Act.
18. In exercise of the powers conferred by sub-section (1) of Section 181 of the Electricity Act, 2003, read with clause (e) of subsection (1) of Section 86 of the Electricity Act, 2003, the Commission has, vide notification No. 442/CT/2015/KSERC dated 11.11.2015, notified the KSERC (Renewable Energy) Regulations, 2015 (hereinafter referred to as the Renewable Energy Regulation, 2015). As per the clauses (u) and (v) of regulation 2 of the said Regulations, energy generated from urban or municipal waste is renewable energy and therefore the energy generated from the proposed MSW project at Brahmapuram is eligible for various incentives offered for the promotion of renewable energy.
19. The Regulation-22 of the Renewable Energy Regulation, 2015 provides for determining project specific tariff for the electricity generated from the renewable sources of energy, which is extracted below.

‘22. Project specific tariff for the electricity generated from renewable sources of energy.- (1) The Commission may, on application from the project developer, determine by order, the project specific tariff for the electricity generated from the following categories of renewable energy projects in accordance with the principles, norms and parameters specified or adopted by the Commission as per regulation 17 above keeping in view the procedure for determination of tariff for generation projects

as per the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014, (herein after referred as Tariff Regulations, 2014)

(i) municipal solid waste project; and

(ii) any other projects as decided by the Commission.

(2) The tariff period for the projects for which the Commission determines project specific tariff, shall be as specified by the Commission in the tariff order’.

20. The Regulation-17 of the Renewable Energy Regulation 2015 provides for the norms for determination for tariff, which is extracted below,-

‘17. Norms for determination of tariff.- (1) *The Commission may, for each control period, notify the principles, norms and parameters for determination of tariff for the electricity generated from various categories of renewable sources of energy.*

(2) While determining the principles, norms and parameters for determination of tariff, the Commission may consider appropriate operational and financial parameters of each category of renewable source of energy and may, to the extent possible, provide an allowance based on technology, fuel, market risk, social and environmental benefits and such other factors.

(3) The Commission may, while formulating and notifying the principles, norms and parameters for determination of tariff for the renewable energy from various categories of renewable source of energy, be guided by the National Electricity Policy and Tariff Policy published under Section 3 of the Act and the principles, norms and parameters specified by the Central Commission for this purpose.

(4) Until separate principles, norms and parameters are specified by the Commission as above, the principles, norms and parameters specified by the Central Commission for the purpose of determination of tariff for the electricity generated from various categories of renewable sources of energy, as specified in the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012, as amended from time to time, may be adopted by the Commission for the purpose of determination of tariff under these regulations’.

21. The Central Commission has amended the tariff regulations relating to renewable energy by the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) (Fourth Amendment) Regulations, 2015; notified on 7th October, 2015. The relevant provisions dealing with the MSW projects are extracted below,-

‘Insertion of a new clause under Regulation 11: *After clause (11) of Regulation 11 of the Principal Regulation, a new clause (1a) shall be added as under.- “The Municipal Waste and Refuse Derived Fuel based power projects shall be treated as Must Run power plants and shall not be subjected to merit order dispatch principles.*

Amendment of Regulation 11 of Principal Regulation : *Clause (2) of Regulation 11 of the Principal Regulations shall be substituted as under:- The biomass power generating station with an installed capacity of 10 MW and above, non-fossil based co-generation projects, municipal solid waste*

and refuse derived fuel shall be subjected to scheduling and dispatch code as specified under CERC (Indian Electricity Grid Code) Regulations, 2010 and Central Electricity Regulatory Commission (Unscheduled Interchange and Related Matters) Regulations, 2009 including amendments thereto'.

22. The norms and parameters for determination of tariff for the electricity generated from municipal solid wastes as specified in the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) (Fourth Amendment) Regulations, 2015; notified on 7th October 2015 are given below,-

Sl. No.	Particulars	Normative rates
a)	Capital cost	Rs 15.00 crore per MW for MSW projects for the year 2015-16
b)	Useful life	20 years
c)	Auxiliary consumption	15%
d)	Debt: Equity ratio	70:30
e)	Depreciation (first 12 years)	5.83%
f)	Depreciation (after 12 years)	2.51%
g)	Weighted average RoE	22%
h)	Heat rate	4200 kcal/kWh
i)	Normative O&M cost	6% of the normative capital cost
j)	PLF During stabilisation	65%
	PLF during first year after stabilization	65%
	PLF from 2 nd year onwards	75%

23. Based on the above normative values, the CERC has determined the levelised tariff for MSW project for the year 2015-16 as follows,-

Technology	Levelised Fixed Cost	Variable Cost	Applicable tariff	Benefit of accelerated Depreciation	Net levelised tariff
MSW	7.04	0	7.04	0.54	6.50
RDF based MSW	4.34	3.56	7.9	0.31	7.59

Note : Net levelised tariff is after adjusting accelerated depreciation

CERC has also stated that, the above tariff will be applicable for entire useful life of 20 years for the MSW/ RDF based MSW projects commissioned during 2015-16. The CERC vide the order dated 29th April-2016, in the matter of determination of levelised generic tariff for the year 2016-17 has stated that, the tariff for MSW and RDF based MSW projects determined as per the order dated 07.10.2015 shall continue to be in force till such time CERC issue revised tariff order for MSW/ RDF projects separately.

24. The Commission has also notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2014 in which the detailed procedures and processes for determination of tariff have been specified. From regulations 22 and 17 of the Renewable Energy Regulation, 2015, it can be seen that the Commission may determine the project specific tariff for electricity generated from municipal solid waste project as per the procedures laid down in the Tariff Regulations, 2014 taking into consideration the norms and parameters for determination of tariff for such projects as specified in the Renewable Energy Regulations 2015. It is also specified in the Renewable Energy Regulations 2015 that, the principles, norms and parameters specified by the Central Electricity Regulatory Commission (CERC) in the CERC (Terms and Conditions for Tariff Determination from Renewable Energy) Regulations, 2012, as amended from time to time, may be adopted by the Commission for the purpose of determination of tariff for the renewable energy projects, if norms and parameters for determination of tariff is not specified for such renewable energy source. KSERC is yet to specify separate norms and parameters for determination of tariff for electricity generated from municipal solid waste. Accordingly, as per the provisions of the Renewable Energy Regulations, 2015, the generic levelised tariffs as determined by CERC vide its order dated 7.10.2015 for MSW and RDF projects as detailed above are applicable for MSW projects established in the State of Kerala also, till such time this Commission specifies separate norms and parameters for the determination of tariff for MSW projects in Kerala.
25. The Commission may determine the project specific tariff for MSW projects as per the procedures laid down for tariff determination in the Tariff Regulations, 2014 and also as per the norms and parameters specified by CERC for determination of tariff for MSW projects, if any project developer approaches the Commission for determination of project specific tariff for its MSW project.
26. The Commission has examined the application filed by M/s Kochi Municipal Corporation for the determination of the project specific tariff for its proposed MSW project at Brahmapuram. From the application submitted by the Kochi Municipal Corporation, it appears that the energy from the MSW project is divided into two parts namely, the net energy limited and the net energy excess. The net energy limited is the energy generated by the project at the rate of 250 kWh per metric ton of MSW. The net energy excess is the energy generated in excess of the net energy limited. It is also indicated that the Corporation had invited tenders for the establishment and operation of the MSW / RDF project and has accepted the single tender offered by M/s GJ Nature Care and Energy Pvt. Ltd on the condition that,-
- (i) The project cost would be Rs.295 crore,
 - (ii) The tariff for net energy limited would be Rs.15/- kWh, and
 - (iii) The tariff for net energy excess would be the one determined by the KSERC.

27. In this regard it has to be specifically noted that the Commission is not expected to determine tariff for a portion of renewable energy generated from the impugned MSW / RDF project. As per Section 63 of the Act which has been quoted above, the Commission has to adopt the tariff only if it is discovered through a transparent process of bidding in accordance with the guidelines issued by the Central Government. Government of India has issued directions to the distribution licensees to procure power through the bid routes in accordance with the guidelines issued by it. Government of India has already issued the necessary guidelines in this regard which should be followed by the distribution licensees. The tender invited by the Kochi Municipal Corporation is only for establishing a MSW project for it. It is only a tender for the work of establishing a MSW project for the corporation. It is not a tender invited by a licensee in accordance with the guidelines issued by the Government of India under Section 63 of the Act, for the supply of electricity to the licensee. Therefore, the Commission is not bound to adopt the rate of Rs.15/- offered by M/s GJ Nature Care and Energy Pvt. Ltd and accepted by Kochi Municipal Corporation for the net energy limited from the MSW project. Neither is such rate binding on KSEB Ltd.
28. The Commission may determine project specific tariff for the impugned MSW project under Section 62 of the Act. But it is noted that, the petitioner has not provided the necessary and sufficient details required for determining the project specific tariff. The Commission has, vide its letter dated 01.04.2016, directed the petitioner to submit on or before 18.04.2016, the additional details including the copy of the DPR of the project, for determining the project specific tariff for the proposed MSW project at Brahmapuram. The Commission has been granting, at the request of the Corporation, enlargement of time one after another for submitting the details. The last and final enlargement of time allowed for submission of the details expired on 31.10.2016. The petitioner has submitted that, the DPR of the project is yet to be finalized and the details sought by the Commission can be submitted only after finalization of the DPR of the proposed MSW project.
29. The Commission cannot process the petition filed by M/s Kochi Municipal Corporation without sufficient and necessary details for determining the project specific tariff for the proposed MSW project. Under these circumstances, the petition filed by M/s Kochi Municipal Corporation cannot be processed as per the provisions of the Electricity Act, 2003, the Tariff Policy-2016, the Tariff Regulations-2014 and the Renewable Energy Regulations, 2015. Therefore the Commission is of the view that no useful purpose will be served by further waiting for the DPR and other details, which have not been prepared even after several months from the award of contract. However, the petitioner is at its liberty to approach the Commission for determining the project specific tariff for the proposed MSW project Brahmapuram with necessary and sufficient details, once the DPR of the project is finalized after duly taking into consideration the environmental impact assessment and cost benefit analysis.

30. The Corporation has already remitted an amount of rupees one lakh as per DD No. 370900 dated 23.12.2015 issued by Syndicate Bank, Shanmugham Road Branch, Ernakulam towards the application fee for determining tariff. The said amount can be accounted towards the application fee as and when proper application with all necessary and sufficient details is submitted before the Commission.

Orders of the Commission

31. (i) In view of the facts and circumstances explained above, for want of necessary and sufficient details for determining the project specific tariff in accordance with the statutory provisions, policy guidelines and regulations, the petition filed by M/s Kochi Municipal Corporation for the determination of the tariff for the proposed MSW project at Brahmapuram is hereby disposed of as closed, with direction that the petitioner will be at liberty to approach the Commission for determining the project specific tariff for the proposed MSW project Brahmapuram with all necessary and sufficient details, once the DPR of the project is finalized after duly taking into consideration the environmental impact assessment and cost benefit analysis.
- (ii) It is also ordered that the amount of rupees one lakh already remitted as application fee by the petitioner as per DD No. 370900 dated 23.12.2015 issued by Syndicate Bank, Shanmugham Road Branch, Ernakulam will be adjusted towards the application fee as and when proper application with all necessary and sufficient details is submitted by the petitioner.

It is ordered accordingly.

Sd/-
K.Vikraman Nair
Member

Sd/-
T.M. Manoharan
Chairman

Approved for issue

Santhosh Kumar K.B
Secretary