

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: **Shri. Preman Dinaraj, Chairman**
Shri. S. Venugopal, Member
Shri. K. Vikraman Nair, Member

OP No 5/18

In the matter of : Removal of difficulties in establishing Wind Energy Generation and Solar Energy Generation in different part of Kerala by SME sector for own use and third party sale.

Petitioner : Sri. N.V. Muhammed Ashraf
President, KSSIA, Ernakulam
The Kerala State Small Industries Association.

Respondent : Kerala State Electricity Board Limited

OP No 6/18

In the matter of : Removal of difficulties and simplification of procedure for getting connectivity with grid for Renewable Energy Generators, Prosumers and developers.

Petitioner : Sri. Jose Kallookaran C
Secretary, KREEPA
Renewable Energy Center, Aluva.

Respondent : Kerala State Electricity Board Limited

Common Daily Order dated 28.05.2018

1. Kerala State Small Industries Associations (herein after referred to as KSSIA or the petitioner), Ernakulam has filed a petition before the Commission on 04.01.2018, in the matter of 'removal of difficulties in establishing Wind Energy Generation and Solar Energy Generation in different part of Kerala by SME sector for own use and third party sale'. Subsequently, on 09.03.2018, the Kerala Renewable Energy Entrepreneurs & Promoters Association (herein after referred to as KREEPA or the petitioner) has also filed a petition, in the matter of 'removal of difficulties and simplification of procedure for getting connectivity with grid for Renewable Energy Generators, Prosumers and developers' with the following prayers. The main issues raised by the KSSIA and KREEPA are summarized below.

- (1) The limit of the solar plant capacity that can be connected to the distribution system, under KSERC (Grid Interactive Solar Energy Systems) Regulations, 2014, may be increased from 1MW to 3 MW.
 - (2) Relaxation may be granted for connectivity of the solar plants of the consumers having dedicated feeders/ having own transformers.
 - (3) Direction may be given to the distribution licensee to purchase of energy from solar and wind generators at preferential tariff.
 - (4) Permit wind and solar IPP for third party sale without attracting wheeling charge and cross subsidy surcharge.
 - (5) Permit wind and solar CPPs to wheel wind energy without attracting wheeling charge.
2. The Commission admitted the petition filed by KSSIA as OP No 5/18 and KREEPA as 6/18 and heard the petitions together on 17.5.2018. The list of persons participated in the hearings are attached as Annexure 1. During the hearing Sri. Shaji Sebastian representing KSSIA, submitted that;
- (i) The solar capacity that can be connected under Solar Regulations, 2014 may be specified in terms of kW or MW instead of kWp or MWp.
 - (ii) Since the maximum capacity that can be connected to 11 kV level is 3MW, the solar capacity that can be connected under Solar Regulations, 2014 may be enhanced to 3 MW.
 - (iii) The net metering may be done at consumer's premises itself for villas instead of common metering point.
 - (iv) Evacuation facility for wind and solar generation, beyond pooling station may be constructed by KSEB Ltd.
 - (v) Installation of solar systems with battery back-up helps in reduction of peak demand
3. Shri. Sivaramakrishnan, Joint Secretary, KREEPA submitted that even though many investors are keen to invest in RE sector, the open access charges such as wheeling charge, transmission charge and cross subsidy surcharge are the main constraint. He added that KSEB Ltd. is not permitting connectivity to solar system with battery backup.

4. Sri. Bipin Sankar P, Dy. Chief Engineer, on behalf of KSEB Ltd submitted that,
- (i) Some of the issues raised require amendment to the Regulations notified by the Commission. Such an amendment to the Regulations require to follow due procedure such as prepublication, public hearing, Commission's proceedings etc and hence cannot be made through petitions filed by individuals. Therefore, the petitions filed by KSSIA and KREEPA are not maintainable.
 - (ii) The Tariff policy 2016 notified by the Central Government mandate the procurement of power from renewable sources through competitive bidding route.
 - (iii) As per the decision taken by the State Government on 01.07.2017, the purchase of power from RE sources established in the State till that date shall be at the project specific tariff fixed by Kerala State Electricity Regulatory Commission. Thereafter the procurement shall be through competitive bidding route.
 - (iv) Waiver of transmission charges, wheeling charges and losses was in vogue when the price of solar power was very high compared to the conventional power. But the situation has now changed and the rate of solar power is now much less than the conventional power. Moreover the waiver of transmission charges, wheeling charges and transmission losses will be at the cost of ordinary consumers, while benefitting these generators.
 - (v) The main purpose of levying cross subsidy surcharge is to maintain the level of cross subsidy born by the subsidizing consumers for providing subsidy to the subsidized consumers. Thus, exempting cross subsidy surcharge for consumers availing power through open access from solar/wind generators will burden the ordinary subsidized consumers of this State.
 - (vi) As per the Solar Regulations, 2014, the upper capacity limit is fixed at 1 MWp. However there is no capacity limit as per the RE Regulations, 2015.
5. Shri. A.Balaji, Assistant Vice President, United Breweries Ltd. submitted that his company is committed to promote green energy and taking steps to purchase power from INOX wind power and he requested the Commission to exempt open access charges for transmitting wind energy.

6. Shri. K.K Ibrahim, Managing Director of M/s Ramakkalmedu Power (P) Ltd, submitted that, they are setting up 2 MW (8 x 0.25 MW) wind plant at Ramakkalmedu at Idukki District. M/s ANERT has granted technical approval for the scheme on 08.01.2016. According to the policies of the State Government, KSEB Ltd has to undertake infrastructure developments, however no developments were taken so far. KSEB Ltd have communicated an estimate amount of Rs 26,50,000/- to M/s Ramakkalmedu Power (P) Ltd on 22.9.2017 towards providing the required evacuation system for the 2 MW wind plant infrastructure development charges.

KSEB Ltd vide the order dated 24.11.2017 had constituted a joint inspection team for setting up new pooling substations at Ramakkalmedu, however further activities are yet to be taken. The developer vide the letter dated 03.03.2018, informed the Chief Engineer (Distribution Central) of KSEB Ltd that, the developer desires to hand over the land required for setting up a pooling station at Ramakkalmedu for evacuating power from the wind projects, and also their desires to construct the pooling station and other necessary infrastructure by themselves under the supervision of KSEB Ltd. However, KSEB Ltd is yet to take a decision on this issue.

KSEB Ltd is yet to grant connectivity for the plant. He requested that, the Commission may impose penalty to the officers of KSEB Ltd, who are not adhering to the time limit specified for granting connectivity. He further requested for fixing a time frame of development of infrastructural activities at Ramakkalmedu for developing wind power plants.

7. Ramakkalmedu Green Energy Pvt Ltd vide their written comments dated 15.5.2018 submitted that, the State Government vide the order dated 07.04.2015 had granted in principle approval to hand over the vacant land available with the State Government for developing solar and wind projects under 'make in India project' of Gol. However, no further action is taken by the State Government in this regard. Hence they requested before the Commission to advise the State Government for early disposal of such applications fixing a time frame of 90days.
8. M/s Aluva Plastics Consortium (P) Ltd vide the letter dated 15.05.2018, submitted that, they had submitted an application for technical approval before ANERT for setting up 3 nos WEG having capacity 600 kW each, in their own land at Karunapuram village at Idukki and remitted the required fee. As requested by the technical committee, they had submitted the revised application with additional fee on 10.06.2014 to ANERT. However, technical approval has not yet been granted by ANERT. Hence they requested before this Commission for the issuance of Technical Approval for setting up of wind power plants.

9. Shri. V. Varunkumar, Director, Siva Wind turbine India (P) Ltd submitted that the infrastructure facilities at Ramakkalmedu are not sufficient to tap the wind potential there. He further added that, proper incentive scheme should be there for those who install wind plants at Ramakkalmedu. M/s Siva Wind Turbine India Pvt Ltd, vide the letter dated 14.5.2018, has requested before the Commission that,
- (i) Issue direction to KSEB Ltd to comply with the time lines specified for granting connectivity.
 - (ii) Direct the licensee to buy wind power at preferential tariff or to permit IPPs and CPPs to wheel power without attracting wheeling charges.
 - (iii) HT&EHT consumers, who are wheeling wind energy may be exempted from open access charges, wheeling charges and T&D losses.
 - (iv) Permit banking without capacity restriction to carry forward the unutilized wind power generated every month upto 31st March every year.
 - (v) Validity of PPA may be fixed as 25 years.
10. Shri. Yadhukrishnan, Assistant Project Manager, Ahalia Alternate Energy Pvt Ltd submitted that, they are in the process of erecting 1 MW AC grid connected solar for their sister concern M/s Kerala Health Care Pvt Ltd with net metering. Though they have a dedicated feeder from Walayar substation, the capacity of the SPV is restricted in proportion to the average loading during day time. As a consumer having dedicated feeder from 110 kV s/s, the upper limit should be restricted only as per substation and feeder capacity. Hence they may be permitted to connect solar panel upto 1 MW AC (1.2 MWp DC) to the dedicated feeder at their premises.
11. M/s Bharath Charitable Hospital Society submitted that, they had established 1 MW AC (1.1 MWp DC) grid connected ground mounted SPV system at West Eleri, at Kasargod, for the intended use of the energy generated at M/s Bharath Charitable Hospital Society, Thirunakkara, Kottayam. Though they has applied for connectivity, the same is yet to be granted. As per the Kerala Solar Policy, 2013, it is the responsibility of KSEB Ltd create necessary evacuation facility beyond pooling station for capacities less than or equal to 10 MW. KSEB Ltd is not allowing connectivity without open access charges, wheeling charges and T&D loss. Hence the Commission may frame suitable

regulations so that the consumer can wheel the electricity without attracting wheeling charges and T&D losses.

12. M/s NASS Energy Solutions Pvt Ltd in their letter dated 16.5.2018 submitted that, solar plants ability to generate energy depends, to a great extent, on the climatic conditions of the region. A solar power plant of the same capacity as the average load of the feeder, shall almost always generate energy much less than the energy consumed by the average load. As an alternative, the Commission may consider the maximum contract demand and distribution transformer capacity as the major factors to provide feasibility in order to achieve maximum solar green energy generation.
13. Based on the deliberations of the subject matter during the hearing, the Commission hereby issues the following directions to the petitioners KSSIA, KREEPA, and the respondent KSEB Ltd and other stakeholders.
 - (i) KSEB Ltd shall submit a detailed report on the solar connectivity and related issues raised by the stakeholders during the hearing, and also an action plan for giving connectivity within definite time frame within one month from the date of this order.
 - (ii) KSEB Ltd shall also submit a report on the connectivity related issues on the 1 MW solar plants installed by M/s Bharath Charitable Hospital Society at West Eleri at Kasargod.
 - (iii) KSEB Ltd shall ensure that the directions issued from their Corporate office is implemented by all the field offices.
 - (iv) Time upto 4th June 2018 is granted to KSSIA, KREEPA, KSEB Ltd and other stakeholders to submit additional details on the subject petition.
 - (v) The Commission is in the process of revising the Renewable energy regulations duly incorporating the recent developments in RE sector in the country. Hence, those who interested may submit their suggestions in advance so that the same can be incorporated while finalizing the draft.

Sd/-
K. Vikraman Nair
Member

Sd/-
S. Venugopal
Member

Sd/-
Preman Dinaraj
Chairman
Approved for issue

Secretary

List of participants

Petitioners represented by:

1. Sri. Shaji Sebastian, KSSIA, Ernakulam
2. Shri. Sivaramakrishnan, Joint Secretary, KREEPA

Respondent represented by:

3. Shri. Bipin Sankar P, Deputy CE, KSEB Ltd.
4. Shri. K.G.P Nampoothiri, EE, TRAC, KSEB Ltd.
5. Smt. Latha S.V, AEE, TRAC, KSEB Ltd.

List of other Participants:

6. Shri. K.K Ibrahim, MD, Ramakkalmed Power (P) Ltd/ M/s Ramakkalmedu Green Energy Pvt Ltd/ M/s Aluva Plastics Consortium (P) Ltd
7. Shri. V. Varunkumar, Director, Siva Wind Turbine India (P) Ltd
8. Shri. Manoj Toms, Project Director, Ahalia Alternate Energy Pvt Ltd
9. Shri. Yadhukrishnan, Assistant Project Manager, Ahalia Alternate Energy Pvt Ltd
10. Shri. A.Balaji, Assistant Vice President, United Breweries Ltd.
11. Shri. Terance Acex, Wattsun Energy
12. Smt. Neenu Skaria, Electrical Engineer
13. Smt. Jesna Jose, Electrical Engineer
14. Shri. Sunny K.A, Ace Technologies
15. Shri. Suku Nayar K, INOX
16. Shri. Nevil Jose, Project manager, Bharath Hospital
17. Shri. J.Sudhakaran Nair, KSEB Pensioners' Association