

FORM 2
[See Regulation 24(5)]

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION
COMPLAINT NO:

IN THE MATTER OF:

Removal of difficulties and simplification of procedure for getting connectivity with grid for Renewable Energy generators, prosumers and developers.

NAME AND FULL ADDRESS
OF COMPLAINANT/ APPLICANT:

Petition is filed by : Jose Kallookaran. C
Secretary, KREEPA
Renewable Energy Centre,
Mithradham, Chunangamveli,
Aluva-683112.
(Reg No ER/521/05)
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NAMES AND FULL ADDRESSES
OF RESPONDENTS

- : 1. Kerala State Electricity Board,
VydyuthiBhavanam, Pattom,
Thiruvananthapuram.
Pin No. 695004.
Represented by the Secretary.
2. The Managing Director
Kerala State Electricity Board,
VydyuthiBhavanam, Pattom,
Thiruvananthapuram.
Pin No. 695004.

AFFIDAVIT VERIFYING PETITION:

I, Jose Kallookaran, Son of late K.V Cherian aged 54 yrs residing at Angamaly, do solemnly affirm and state as follows:

1. I am a complainant/Petitioner in the above matter
2. The statement made in the pages of complaint/petition application herein now shown to me and marked with page no. 1 to 8 are true to my knowledge and the statement made in 8 nos. of pages are based on information received and I believe them to be true.

Solemnly affirmed at My office at Kalamassery on this day of 09.03.2018 that the content of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Complainant/Petitioner

Jose Kallookaran. C
Secretary, KREEPA
Renewable Energy Centre,
Mithradham, Chunangamveli,
Aluva-683112.
Tel:0484-2839185,
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Identified before me Notary

Ernakulam,
09.02.2018

FORM 1
[See Regulation 24(3)]
General Heading for petitions
BEFORE THE KERALA STATE ELECTRICITY
REGULATORY COMMISSION

PETITION NO:

IN THE MATTER OF:

Removal of difficulties and simplification of procedure for getting connectivity with grid for Renewable Energy generators, prosumers and developers.

Fees Rs.10,000/- (Rupees Ten Thousand only) as per Annex II, Reg.18, schedule of fees see Regulation 64 (1) of Kerala State Electricity Regulatory Commission (Conduct of Business) Third Amendment Regulation 2014, is enclosed as DD drawn in favor of the Secretary, KSERC, payable at Trivandrum from SBI,Branch Kalamassery.

REFERNCE:

- a. Electricity Act 2003
- b. Kerala Renewable Energy Policy 2002
- c. Guidelines for Wind Power through Private Sector 2005 and its amendments
- d. CERC : Indian Electricity Grid code 2010
- e. CERC : Terms and conditions for tariff determination from Renewable Energy Sources Regulations 2012.
- f. CERC : Determination of the Levellised Generic Tariff for FY 2017-18 dated 31.05.2017.
- g. CEA : Grid Standard Regulations 2010
- h. CEA : Installation and Operation of Meters Regulation 2006.
- i. KSERC : Electricity Grid code 2005 (KSEGC 2005)
- j. KSERC : Renewable energy Regulations 2015
- k. KSERC : Renewable energy Amendment Regulations 2017

- l. KSERC : Detailed Procedure for Grant of Connectivity& Open Access in Intra-State Transmission System dated 21.04.2015
- m. KSERC : Supply of Power from Captive Generating Plants to Distribution licensees Regulations 2007
- n. National Electricity Policy dated 12.02.2005
- o. Tariff policy dated 28.01.2016
- p. Kerala Solar Energy Policy 2013

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OF RESPONDENTS:**

- 1. Kerala State Electricity Board,
VydyuthiBhavanam, Pattom,
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Pin No. 695004.
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VydyuthiBhavanam, Pattom,
Thiruvananthapuram.
Pin No. 695004.

INTRODUCTION

Kerala Renewable Energy Entrepreneurs & Promoters Association (KREEPA) is a registered association under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act 1955 (Act XII of 1955) under Reg. No ER/521/05. The association is formed by promoters and all stake holders with an aim of tapping, distributing, spreading and developing techniques in renewable and non-conventional energy. The association has an objective to act as an effective link and agent between the Government and other agencies and conduct liaison and negotiations in matters involving and of interest to the members and their requirements and rights.

Even though Central and State Government have taken extensive measures including financial assistance towards promotion of Renewable Energy and its use, the target of generation is not yet achieved due to various reasons. The gap between the Renewable Energy Potential and the present generation is huge. The target and achievement gap in Kerala State is very large.

The Kerala Government along with NGO's and with the support of licensees should take effective and efficient measures in order to reduce this gap and to facilitate the achievement of RPO Obligation by the licenses.

SYNOPSIS

The Renewable Energy Purchase Obligation (RPO) target fixed by Hon. Commission is 7.5% (Excluding Hydro Power), out of that 1.5% is exclusively reserved for Solar Power. KSEBL, while filing their objections against the draft of the KSERC (Renewable Energy) Amendment Regulations, 2016, stated that there will be a short fall in Non - Solar RPO by 690MU and for compensating they require 189.6MW, investing Rs.1327Crore. They have also stated that for meeting RPO obligation of 689.24MU they require 504MW Solar Plant costing Rs.2673 Crore. They have also expressed their concern about the possible tariff hike and also their difficulty in mobilizing huge capital Rs.4400Crore.

Taking in to consideration the huge machinery and mechanism of KSEBL the actual project cost for establishing wind and solar at scattered locations will be much more than their projection. If we compare the proportionate RE generation with other states, Kerala may be ranking as lowest. It is not due to the inadequacy of capital or lack of entrepreneurship. The only reason is the delay in processing application and lack of clarity in certain areas of Regulations and Board Orders. Hon Commission may have leniency towards the 'Developers/Prosumer/Generators', while licensee should extend their full corporation by way of accepting reasonable charges, and by reducing processing time.

STATEMENT OF FACTS

1. The Electricity Act Sec.61, empowers the Commission to 'specify the terms and conditions for the determination of the renewable energy tariff', guided by Sec 61(h) "*the promotion of co-generation and generation of electricity from renewable sources of energy*", and Sec.61(i), "*the National Electricity Policy and tariff policy*". This shows that Hon. Commission is the only authority for specifying terms and conditions for the determination of the tariff for renewable energy and its promotion.
2. The Electricity Act Sec.62, empowers the Commission to 'determine the tariff', complying with the provisions of the Act 2003, as per Sec 62(a) "*supply of electricity by a generating company to a distribution licensee*", this shows that Hon. Commission is the only authority for fixing the tariff of electricity from renewable source of energy.

3. The Electricity Act 2003, Sec.86, 'discharges the functions of State Commission', complying with the provisions of the Act 2003, as per Sec.86(e), "*promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee*".
4. The Electricity Act Sec.3 (1) empowers the Central Government to formulate the tariff policy. Sec 3 (3) of the Act enables the Central Government to review tariff policy from time to time. Accordingly the Central Government revised the tariff policy to be effective from 28.01.2016.
5. The Tariff Policy 2016, Clause 1.2 "*set the goal of adding new generation capacity*". Clause 1.3 "*to attract adequate investment in power sector, by providing appropriate **return on investment***", Clause 1.4, "*accelerated development of the power sector and its ability to attract necessary investments calls for consistent regulatory approach*", Clause 2.3, "*the Regulatory Commission shall be guided by the principles and methodologies specified by Central Commission for determination of tariff applicable to generating companies*".
6. Accordingly Hon. Commission have come out with the Kerala State Electricity Regulatory Commission (Renewable Energy) Regulations, 2015, assuring **return on investment** contemplated in Clause 1.3 of Tariff Policy 2016. Subsequently it was amended on 02.11.2017 confirming the percentage of RPO obligation as 7.5% of the total consumption in which 1.5% is Solar.
7. The developers are establishing Solar and Wind farms with an intention to sell the Electricity to a third party utilising the transmission and distribution facility and lines of respective utility and licenses. Even through open access permission permits the above purpose, as per the present Regulations the Developer/Generator/Buyer will have to bear with Wheeling Charge and Cross Subsidy Surcharge. A Developers/Prosumer/Generators should be exempted from Wheeling Charge and Cross Subsidy Surcharge if he surrender RPO Obligation.

GROUND

We got ample facility for Solar SPV generation even in large scale as hybrid generation at Ramakkalemdu and Palakkad. The cost of the land is prohibitive and hence Solar can be planned along with Wind. The Solar Regulation and Policy is more viable and friendly.

Even though the Kerala Solar Energy Policy 2013 permits wheeling of Solar Energy without open access charges, wheeling charges, it is not properly precipitated in RE and

Solar Energy Regulations. Considering the present land cost and plant cost, the license should either buy the Solar Energy at Preferential Tariff decided by the Hon.Commission or should permit the Prosumer the wheeling of Solar Energy without attracting Wheeling charges and for Generators and Developers for the third party sale without attracting Wheeling and Cross Subsidy surcharge.

In Kerala, Wind potential is available only at Ramakkalemedu, and Palakkad. At Ramakkalemedu the major problem is in accessibility and hilly terrain, because of which we can have only Turbines of 250kW each. The evacuation is also very difficult because the capacity of 66kV Nedumkandam Substation is very limited, only 20MW. The proposed 110kV line enhancement and Bethel 110kV Substation is dragging due to various reasons. Palakkad, 2MW, WTG's are viable and evacuation facility is available. For harnessing more Wind Power through Prosumers/Developers/Generators, the major requirements are:-

- a. The Wind power cannot be directly injected in to the consumer feeder. It will be at Remote place either selling the electricity to the license or wheeling out the same through the infrastructure provided by the license. For meeting the RPO obligation of the licensee and for more Renewable Energy Generation the wheeling charge of wind generation may also be exempted in line with the wheeling charge of Solar.
- b. Considering the present land cost and plant cost the license should either buy the Solar Energy at Preferential Tariff, decided by the Commission or should permit the Prosumer/Generators/Developer the wheeling of Wind Energy without attracting Wheeling charges and Cross Subsidy surcharge in case of third party sale.

RELIEF SOUGHT

SOLAR

1. Direct License either to buy the Solar Energy at preferential tariff or to permit a CPP to wheel out the Solar Energy without attracting Wheeling charge.
2. Direct License either to buy the Solar Energy at preferential tariff or permit an IPP to sell the electricity to a third party without attracting Wheeling Charge and Cross Subsidy Surcharge.
3. Direct License to utilize the Solar Energy for captive usage or to sell the electricity to a third party under Open Access, without attracting Wheeling Charge and Cross Subsidy Surcharge.

WIND

1. Direct License either to buy the Wind Energy at preferential tariff or to permit a CPP to wheel out the Wind Energy without attracting Wheeling charges.
2. Direct License either to buy the Wind Energy at preferential tariff or permit an IPP to sell the electricity to a third party without attracting Wheeling charge and Cross Subsidy surcharge.
3. Direct License to utilize the Wind Energy for captive usage or to sell the electricity to a third party under Open Access, without attracting Wheeling Charge and Cross Subsidy Surcharge.

Considering the very low Renewable Energy Generation in the State, requirement of adding more RE Generation to the Grid and minor modifications in Regulations, Hon. Commission may arrange for a public hearing at the earliest convenience, which would benefit all the stakeholders including members of our association as well as potential investors