**KERALA STATE ELECTRICITY REGULATORY COMMISSION**
**THIRUVANANTHAPURAM**

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

**OA. No.14/2016**

In the matter of application filed by M/s Kerala Irrigation Infrastructure Development Corporation Limited (KIIDC) for seeking determination of project specific preferential tariff for land neutral (floating ) Solar PV project at Chulliar Dam , Palakkad.

Applicant(s) : Managing Director,
Kerala Irrigation Infrastructure
Development Corporation Ltd.
Thiruvananthapuram
695011

Applicant (s) represented by : Sri. R. Jayapalan Nair, CEO, KIIDC
Sri.P.Anil Kumar, Managing Director, KIIDC
Sri. M.G.Vijayan, Liaison Officer, KIIDC
Smt. Uma.J.Nair, Consultant, KIIDC
Sri. Vivek Jha, Energy Specialist

**Order dated 06.03.2017**

1. M/s Kerala Irrigation Infrastructure Development Corporation (herein after referred to as M/s KIIDC or the petitioner) filed a petition on 20.8.2016 for determination of project specific preferential tariff for land neutral (floating) Solar PV project of 1.008 MW capacity at Chulliar Dam, Palakkad. M/s KIIDC is a wholly owned company of Government of Kerala for the promotion and development of medium and large scale irrigation, infrastructure and water supply project units in the state. It is a public sector undertaking under the administrative control of the Water Resources Department of Government of Kerala.

2. M/s KIIDC submitted that the water resources department has entrusted KIIDC with development of land neutral solar parks in the water bodies and adjacent land under the Irrigation department. M/s KIIDC submitted that they are authorised to undertake the following works;

   (i) The construction, execution and maintenance of projects entrusted by the State Government

(ii) To utilise the water stored in the reservoir created in the river course for any use like drinking water, irrigation, domestic, industrial, tourism, or for any other purpose according to the direction of the Government from time to time.

(iii) To undertake or render any assistance to individual, firm, society, company, corporation, development authority, municipality, panchayath or any department of Government of Kerala on various irrigation allied works.

(iv) The Government vide its order G.O.(P).No.453/2015/Fin dated 09.10.2015 have selected KIIDC, as one of the accredited agencies for execution of public works.

(v) The Government of Kerala on realization of land scarcity and energy shortage in the State and considering the effects of climate change, has entrusted KIIDC vide its order GO. (Rt)No.702/13/WRD dated 19.06.2013, for developing pilot project of 20MWp Grid Connected Grounded Solar PV Power Plant at Meenkara Reservoir and Chulliar, Palakkad District, Kerala.

(vi) Initially, KIIDC proposed to implement a 1008 kWp (approximately 1MWp) floating solar PV plant as a pilot project at Chulliyar Dam, Palakkad.

3. A brief of the project report on implementing 1 MWp solar PV at Chulliar dam at Palakkad is as follows:

(i) The land- neutral solar power plant would be a grid interactive system and is capable of producing an average annual output of about 1.65 million units of electricity at the project location.

(ii) KIIDC shall appoint an EPC Contractor and would provide appropriate space at Chulliyar Irrigation dam for putting up the land- neutral solar power plant.

(iii) The power plant would be implemented in two phases. In the first phase, a 196 kWp power plant would be established, which would be monitored over a period of 3 months post installation and commissioning. Subsequently, an 812 kWp power plant would be commissioned on the same site post the monitoring period.

(iv) The proposed time schedule for the implementation of project is about 9 to 12 months.

(v) The project is expected to incur a total capital expenditure of Rs 1073 Lakh. Based on the capital cost of the project and other prevailing financial norms, the levelised tariff estimated for the project is Rs 8.86/unit without accelerated depreciation and Rs 8.03/unit with availing the benefit of accelerated depreciation.

4. The main prayers of the petitioner M/s KIIDC are:

   *(i)* *Approve the proposed project specific tariff of Rs. 8.86 per unit without accelerated depreciation benefits and Rs. 8.03 per unit with accelerated depreciation benefits for the entire duration of the PPA for the power to be fed into the grid.*

   *(ii)* *Approve and allow all power generated from the proposed 1MWp system to be fed into the grid and paid for the Distribution Licensee such as KSEB operating in the state of Kerala at the approved project specific tariff rate as per point (i) above under the solar RPO obligation.*

   *(iii)* *Issue appropriate instructions to the State Transmission Utility (STU) for connection to the grid at 11 KV at 2 or more places.*

   *(iv)* *Direct distribution companies in the state to take appropriate step to facilitate feed –in tariff.*

5. The Commission admitted the petition and conducted hearing at the court room, office of the Commission on 20-10-2016. Heard the applicant M/s Kerala Irrigation Infrastructure Development Corporation Limited (KIIDC). Sri. R. Jayapalan Nair and Sri. Vivek Jha presented the details of the application and responded to the queries of the Commission.

6. Sri. K.G.P Namboothiri, Executive Engineer, Sri. Shedilal.C, Executive Engineer, and Smt. Latha S.V, Assistant Executive Engineer, represented KSEB Ltd. Sri. K.G.P Namboothiri presented the comments and submitted written remarks on the application.

7. KSEB Ltd. submitted their written statements vide letter No. KSEB/TRAC/KSERC /KIIDC /2016-17/3062 dated 19.10.2016. The summary of the comments of KSEB Ltd is given below.

   (i) KSEB Ltd appreciated the petitioner for having taken an innovative approach for the implementation of floating solar PV project across various irrigation reservoirs in the state.

   (ii) The cost of the project and the tariff claimed by the petitioner in the instant petition is exorbitantly high.

   (iii) By installing solar panels over water, the panels are naturally cooled, resulting in improved power production performance and extended lifespan.

(iv) Except for the float design, the tracking mechanism and the internal cabling, all other components of a floating solar PV plant are same as those used in conventional ground based solar PV installation. However, the technology is not cost effective as of now. There are no benchmark capital cost norms and tariff approved for floating solar PV plants in the country.

(v) The capital cost of ground mounted solar PV plants are approved by Hon'ble Central Electricity Regulatory Commission (CERC) vide the order dated 23-3-2016 in suo-motu petition no.17/SM/2015. A comparison of the cost approved by CERC with that claimed by the petitioner in the instant petition is tabulated below.

<table>
<tr><td>Particulars</td><td>For phase-1 and 2(Rs.Cr.)</td><td>As per CERC benchmark norms (Rs.Cr.)</td></tr>
<tr><td>Solar modules and connectors</td><td>3.57</td><td>3.28</td></tr>
<tr><td>Civil, general works, mounting structure & mooring system</td><td>3.20</td><td>0.70</td></tr>
<tr><td>Power conditioning units/inverters</td><td>0.79</td><td>0.35</td></tr>
<tr><td>Evacuation cost upto inter-connection point(cables and transformers)</td><td>0.98</td><td>0.44</td></tr>
<tr><td>Land preparation</td><td>0.06</td><td rowspan="4">0.28 (Misc expenses including IDC)</td></tr>
<tr><td>Accessories and taxes</td><td>0.61</td></tr>
<tr><td>Installation, Commissioning, Contingency and consultancies</td><td>1.22</td></tr>
<tr><td>Fish hatcheries and inspection alleys</td><td>0.31</td></tr>
<tr><td>Total (Rs.Cr.)</td><td>10.74</td><td>5.30</td></tr>
</table>

(vi) As detailed above, even for the equipments which are commonly used for both floating and ground mounted solar PV panels like power conditioning units/inverters, the rate quoted by the petitioner in the instant petition is higher than the CERC bench mark norms.

(vii) Another major increase noted in the capital cost when compared to conventional ground mounted solar system is the cost under the head– 'Civil, general works, mounting structure and mooring system'. The 'mooring system' required for floating solar PV plants to prevent the lateral movement of the power plant due to change in water level in the reservoir is stated to be capable of managing a variability of as high as 15m. The need for such a costly 'mooring system' for Chulliyar dam need to be verified since the level variation between FRL and MDDL of Chulliyar dam is only 18m.

(viii) Further, the cost projected under the head 'civil works' is very high considering the fact that the floating solar plant does not require land and the developer is eligible for substantial savings due to land acquisition and its associated cost.

(ix) The amount under the head ‘Installation, Commissioning, Contingency and consultancies’ constitutes about 11.36% of the project cost, which too is also in the higher side.

(x) The petitioner has not furnished any details of capital subsidy availed for the project. KSEB Ltd requested to issue necessary directions to the petitioner to avail the subsidy and other incentive schemes including grants and viability gap funding to reduce the capital cost of the project.

(xi) The operation and maintenance requirement of floating solar PV panels are less compared to ground mounted solar PV panels since probability of dust accumulation is less. However, the petitioner has claimed an O&M cost of Rs.13 Lakhs/MW, at the the norms approved by the CERC for ground mounted solar PV systems for the year 2015-16.

(xii) The petitioner has not furnished the details of the loan availed and equity invested into the project.

(xiii) The interest rate claimed by the petitioner @ 13% is high, considering the fact that solar projects are eligible to avail soft loans which will bring down the interest liability and tariff of the project.

(xiv) The petitioner in the instant petition has claimed a CUF of 25% with an annual degradation factor of 0.5% after third year of operation in the tariff calculations. The petitioner has provided two different data on net annual generation predicted from the project. As per the petition, the PLF of the plant is shown as 31%. As per the DPR attached to the petition in chapter-10, the petitioner has predicted 28,23,000 units from both the phases, as against the 16,50,000 units adopted for tariff computation. As per the predicted annual generation of the DPR, the CUF of the project comes to 32%. Hence CUF of 32% as stated by the petitioner in the DPR may be adopted for determining tariff. The request for capacity degradation factor of 0.5% after third year of operation is not in line with any of the norms issued by Hon’ble Commission for tariff determination.

(xv) It is stated that 10% of the energy generated from the project would be provided by the EPC contractor at no cost to KIIDC throughout the life cycle of the project. KSEB Ltd requested that, the levelised tariff of the project may be determined by considering the entire energy generated from the plant including the power if any provided to KIIDC without realizing cost.

(xvi) The developer may be directed to submit the details of financial assistance availed and the same may be considered in the determination of tariff of the project as per provisions of Regulation 24 of the KSERC (Renewable Energy) Regulations, 2015.

(xvii) The petitioner in the instant petition has stated that KIIDC will be eligible to claim any RPO against the power generated from the power plant. This is against the KSERC (Renewable Energy) Regulations, 2015.

(xviii) The generic levelized tariff for solar PV for the year 2016-17 as approved by Hon'ble CERC vide the order dated 30-3-2015 in SM/3/2016 is only Rs.5.68/unit without accelerated depreciation and Rs.5.09/unit after accelerated depreciation.

8. KSEB Ltd further submitted that;

*The petitioner had a meeting with KSEBL on 5-7-2016 on the power procurement from the proposed solar plant and subsequent to the meeting, it was decided by KSEB Ltd that KIIDC may participate in the tariff based proposed tender for 200MW solar power in compliance with the mandate provided in paragraph 6.4(2) of the National Tariff Policy, which stipulates that states shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants.*

9. KSEB prayed as follows:

*(i) KSEBL's averments as submitted above may kindly be considered in determination of project specific preferential tariff for land neutral (floating) solar PV project at Chulliyar Dam, Palakkad of Kerala Irrigation Infrastructure Development Corporation Ltd.*

*(ii) The petitioner may be directed to participate in the tariff based competitive bidding invited by the distribution licensees under section 63 of the EA,2003 for selling the power from the project instead of opting for PPA under section 62.*

**Analysis and Decision**

10. The petition filed by M/s KIIDC, is for the determination of the tariff for the proposed 1 MWp solar plant at Chulliar dam, Palakkad. The Commission has examined the proposals as per the provisions of the Electricity Act, 2003, National Tariff Policy 2016, KSERC (Renewable Energy) Regulations, 2015 and other relevant regulations issued by the Commission under sub-section (1) of section 181 of the Electricity Act, 2003.

11. The relevant provisions in the KSERC (Renewable Energy) Regulation, 2015 regarding the determination of tariff for solar projects are extracted below.

*" **19. Preferential tariff.-** The Commission may, by order notified in the official gazette, determine preferential tariffs applicable to the electricity*

*generated from various categories of renewable sources of energy, either as generic tariff or as project specific tariff.*

***20. Generic tariff for the electricity generated from renewable sources of energy.-*** *(1) The Commission may determine, by order published in the official gazette, the generic tariff for each financial year for the electricity generated from various categories of renewable sources of energy in accordance with the principles, norms and parameters specified or adopted by the Commission as per regulation 17 above and the normative values of capital cost and rate of interest notified under the proviso under sub-regulation (2) of regulation 18.*

*(2) The generic tariff shall be determined on levelised basis for the useful life of the renewable energy project.*

***Explanation :*** *'Useful life' in relation to a unit of a generating station including evacuation system means the following duration from the date of declaration of commercial operation (COD) of such generating unit, namely:-*

*(i) 35 years in the case of small hydro-electric projects having installed capacity below 5MW;*

*(ii) 35 years in the case of small hydro-electric projects having installed capacity of and above 5 MW and up to and including 25MW;*

*(iii) 25 years in the case of wind energy power projects;*

*(iv) 25 years in the case of solar photo voltaic projects; and*

*(v) such other period as decided by the Commission in the case of other renewable energy projects.*

*(3) The generic tariff shall be applicable to the renewable energy projects commissioned during the financial year for which the generic tariff is determined under sub-regulation (1) above:*

*Provided that the generic tariff published by the Commission for a financial year shall be applicable provisionally to the renewable energy projects which are commissioned after the close of that financial year, till such tariff is revised by the Commission:*

*Provided further that, as soon as the generic tariff is revised by the Commission for the financial year in which the renewable energy project is commissioned, the revised generic tariff shall be assigned to such renewable energy projects for which provisional tariff is assigned as per the above proviso.*

*(4) The Commission shall, for the purpose of sale of electricity from each category of renewable energy source, fix the tariff period in respect of the generic tariff determined under sub-regulation (1) above and that made applicable to a particular renewable energy project under sub-regulation (3) above:*

*Provided that the tariff period fixed by the Commission under this clause shall be subject to the minimum duration as specified hereunder,-*

*(i) in the case of small hydro projects with capacity below five megawatt, twenty five years;*

*(ii) in the case of solar photo voltaic and solar thermal power projects, twenty years;*

*(iii) in the case of bio mass gasifier and bio gas based power projects, fifteen years; and*

*(iv) in the case of all other renewable energy power projects except those coming under clauses (i), (ii) and (iii) above, thirteen years.*

*(5) The tariff period shall be computed from the date of commercial operation of the renewable energy generating unit.*

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***21. Procedure for determination of generic tariff for the electricity generated from renewable sources of energy.-*** *(1) The Commission may, suo motu, determine for each financial year in a control period the generic tariff for the electricity generated from each category of renewable source of energy.*

*(2) The Commission shall publish in its website a summary of the proposal for the determination of tariff as per sub-regulation (1) above and invite responses from all the stakeholders.*

*(3) The Commission shall, after the expiry of a period of twenty one days from the date of publication of the proposal as per sub-regulation (2) above, conduct public hearing on such proposal.*

*(4) The Commission shall determine the generic tariff after duly considering the responses from the stakeholders and the views expressed in the public hearing.*

*(5) The tariff determined as per sub-regulation (4) above shall be notified in the official gazette.*

*(6) The Commission may, on application from the generator or the purchaser of electricity from a renewable energy project, revise the generic tariff applicable to the said project and issue appropriate orders, in case,-*

*(a) the actual average capacity utilization factor for three consecutive years immediately following the date of commissioning of the projects other than wind energy projects varies due to site specific reasons, by more than ten percent of the normative capacity utilization factor adopted earlier for the determination of the generic tariff applicable to that project; and*

*(b) the actual average capacity utilization factor for three consecutive years immediately following the date of commissioning of a wind energy project varies due to site specific reasons, in such a way that the actual average capacity utilization factor conforms to that of a different wind zone.*

***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,-*

*(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.*

*(3) The Commission may, on application from the generator or the purchaser of electricity from a renewable energy project, for which a project specific tariff has been determined under sub-regulation (1) above, revise such project specific tariff applicable to the said project and issue appropriate orders, in case the actual average capacity utilization factor for three consecutive years immediately following the date of commissioning of the said project varies due to site specific reasons, by more than ten percent of the capacity utilization factor adopted earlier for the determination of the project specific tariff applicable to that project.*

***23. Normative parameters and tariff applicable to the renewable energy projects commissioned during the financial years 2014-15 and 2015-16.-***
*Notwithstanding anything contrary contained in these regulations, the normative parameters, the generic tariff and the tariff period applicable to the renewable energy projects commissioned during the financial years 2014-15 and 2015-16 shall be as specified in the annexures attached to these regulations*

***24. Effect of financial assistance on the tariff of renewable energy****.- (1) The Commission shall, while determining the tariff for the renewable energy projects, make appropriate adjustments considering the financial assistance such as capital subsidy or accelerated depreciation or concessions in duties and taxes, if any availed by the project developer for the implementation of such project, keeping in view the guidelines and methods specified by Central Commission.*

*(2) The project developer shall submit to the Commission along with the application for approval or determination of tariff, all details relating to*

*such financial assistance availed by him for the implementation of the renewable energy project."*

12. As per regulation 62 of the Electricity Act 2003, Commission is empowered to determine tariff of all generating projects within the state.

13. The paragraph 5.12 of the National Electricity Policy notified by the Central Government vide the notification No. 23/40/2004-R&R (Vol.II) dated 12th February 2005 deals with 'cogeneration and non-conventional energy sources, which is extracted below.

*" 5.12 COGENERATION AND NON-CONVENTIONAL ENERGY SOURCES*
*5.12.1 Non-conventional sources of energy being the most environment friendly there is an urgent need to promote generation of electricity based on such sources of energy. For this purpose, efforts need to be made to reduce the capital cost of projects based on non-conventional and renewable sources of energy. Cost of energy can also be reduced by promoting competition within such projects. At the same time, adequate promotional measures would also have to be taken for development of technologies and a sustained growth of these sources.*
*5.12.2 The Electricity Act 2003 provides that co-generation and generation of electricity from non-conventional sources would be promoted by the SERCs by providing suitable measures for connectivity with grid and sale of electricity to any person and also by specifying, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Such percentage for purchase of power from non-conventional sources should be made applicable for the tariffs to be determined by the SERCs at the earliest. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by State Electricity Regulatory Commissions. Such purchase by distribution companies shall be through competitive bidding process. Considering the fact that it will take some time before non-conventional technologies compete, in terms of cost, with conventional sources, the Commission may determine an appropriate differential in prices to promote these technologies. "*

14. The paragraph- 6.4 (2) of the Tariff Policy notified by the Central Government vide the notification No.23/2/2005-R&R (Vol-IX) 28th January, 2016 deals with 'renewable energy' which is extracted below for ready reference.

***6.4 Renewable sources of energy generation including Co-generation from renewable energy sources:***

….

*(2)States shall endeavor to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources from projects*

*above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government.*

*However, till such notification, any such procurement of power from renewable energy sources projects, may be done under Section 62 of the Electricity Act, 2003. While determining the tariff from such sources, the Appropriate Commission shall take into account the solar radiation and wind intensity which may differ from area to area to ensure that the benefits are passed on to the consumers.*
*…………..*

15. The tariff proposed by the petitioner for the floating solar project proposed by them is Rs 8.86/unit without accelerated depreciation and Rs 8.03/unit with accelerated depreciation. However, the tariff approved by CERC for solar PV projects for the year 2016-17 as per order dated 29th April 2016 is Rs 5.68 per unit without considering accelerated depreciation benefits. CERC has not determined any generic tariff for floating type solar projects. The Commission has also noted that, the rate of solar power derived through the recent competitive bids by the distribution utilities is less than Rs 3.50/unit.

16. Considering the excessive rate of the 1 MW floating solar power project proposed by KIIDC, the Commission cannot direct the KSEB Ltd and other licensees to procure power from the project at the excessive rates proposed by them.

17. The Commission vide the daily order dated 25-10-2006 on the subject petition has expressed the following views:

    *(i) The tariff proposed appears to be on the higher side when compared to the tariff for solar energy as discovered in tender processes in other States.*
    *(ii) As per the information available, the rate quoted recently by the developers for supplying solar energy through competitive bidding route is about Rs 4.50 per unit only.*
    *(iii) The Commission cannot insist KSEB Ltd or other licensees to procure power from the solar energy project of the petitioner at the rates proposed by the petitioner.*
    *(iv) KIIDC may take necessary steps to get financial assistance by way of capital subsidy or soft loans with low interest rates and long repayment period or other incentives from MNRE, Government of India, so that, the tariff can be reduced and brought to competitive levels.*

18. However, the petitioner has not submitted any details on the financial assistance proposed to avail by way of capital subsidy or soft loans with low interest rates etc.

19. The Regulation-24 of the KSERC (Renewable Energy) Regulation, 2015 provide as follows.

> ***24. Effect of financial assistance on the tariff of renewable energy**.- (1) The Commission shall, while determining the tariff for the renewable energy projects, make appropriate adjustments considering the financial assistance such as capital subsidy or accelerated depreciation or concessions in duties and taxes, if any availed by the project developer for the implementation of such project, keeping in view the guidelines and methods specified by Central Commission.*
>
> *(2) The project developer shall submit to the Commission along with the application for approval or determination of tariff, all details relating to such financial assistance availed by him for the implementation of the renewable energy project."*

20. While determining the generic tariff for the Renewable Energy Generation for the year 2016-17 vide the order in petition No. SM/03/2016 dated 30th March 2016, the Central Commission has considered the Subsidy or incentive by the Central / State Government. The relevant portion of the order is extracted below.

> *" 64. Regulation 22 of the RE Tariff Regulations provides as under: "The Commission shall take into consideration any incentive or subsidy offered by the Central or State Government, including accelerated depreciation benefit if availed by the generating company, for the renewable energy power plants while determining the tariff under these Regulations. Provided that the following principles shall be considered for ascertaining income tax benefit on account of accelerated depreciation, if availed, for the purpose of tariff determination: 1) Assessment of benefit shall be based on normative capital cost, accelerated depreciation rate as per relevant provisions under Income Tax Act and corporate income tax rate. ii) Capitalization of RE projects during second half of the fiscal year. Per unit benefit shall be derived on levellised basis at discount factor equivalent to Post Tax weighted average cost of capital".*
>
> *65. In terms of the above regulation, for the projects availing the benefit of accelerated depreciation as per applicable Income tax rate @ 33.99% (30% IT rate+ 10% surcharge +3% Education cess) has been considered. For the purpose of determining net depreciation benefits, depreciation @ 5.28% as per straight line method (Book depreciation as per Companies Act, 1956) has been compared with depreciation as per Income Tax rate i.e. 80% of the written down value method. Moreover, additional 20% depreciation in the initial year is proposed to be extended to new assets acquired by power generation companies vide amendment in the section 32, sub-section (1) clause (iia) of the Income Tax Act.*
>
> *66. Depreciation for the first year has been calculated at the rate of 50% of accelerated depreciation 80% and 50% of additional depreciation 20% (as project is capitalized during the second half of the financial year as per proviso to Regulation 22). Income tax benefits of accelerated depreciation and additional depreciation, has been worked out as per normal tax rate*

*on the net depreciation benefit. Per unit levellised accelerated depreciation benefit has been computed considering the post tax weighted average cost of capital as discount factor. Accelerated depreciation benefit has been computed as per existing provisions of Income Tax Act. The provisions related to Accelerated Depreciation announced in Union Budget of India presented on February 29, 2016 would be applied once the same are notified.*

21. M/s KIIDC may take necessary steps to get central financial assistance (CFA) by way of capital subsidy or soft loans with low interest rates and long repayment period or other incentives from MNRE, Government of India, so that, the tariff can be reduced and brought down to competitive levels. It is also observed that Government of India is providing financial assistance to floating type solar projects at canal tops and canal banks through the Solar Energy Corporation of India (SECI). There are provisions of concessional import duty/excise duty exemption, accelerated depreciation and tax holiday for setting up of grid connected solar plants. M/s KIIDC has to take all necessary efforts to avail such possible benefits so that the tariff gets reduced to affordable level. With all these details, M/s KIIDC can again approach the Commission for determining the project specific tariff for the 1 MW floating solar project proposed by the petitioner at Chulliar dam at Palakkad.

22. However, in the counter affidavit submitted by KSEB Ltd, it is requested to direct the petitioner to participate in the bid process initiated by them for procuring 200 MW solar power for meeting the solar power purchase obligations. Hence, the petitioner also has an option to participate in the bid process initiated by KSEB Ltd for procuring solar power.

23. M/s KIIDC has already remitted an amount of rupees one lakh as per DD No. 484125 dated 22.08.2016 as application fee for determination of tariff. The said amount can be accounted towards the application fee for the revised application with all necessary and sufficient details, if any, submitted before the Commission.

**Orders of the Commission**

24. 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 KIIDC for the determination of the tariff for the proposed solar project at Chulliar 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 with all necessary and sufficient details.

It is also ordered that the amount of rupees one lakh already remitted as application fee by the petitioner as per DD No. 484125 dated 22.08.2016 will be adjusted towards the application fee when a new application with all necessary and sufficient details, if any, is submitted by the petitioner.

It is ordered accordingly.

| Sd/- | Sd/- | Sd/- |
| --- | --- | --- |
| **K.Vikraman Nair** | **S.Venugopal** | **T.M.Manoharan** |
| **Member** | **Member** | **Chairman** |

Approved for Issue

**Santhosh Kumar. K.B**
**Secretary**