

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
4th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

O.P.No.30 of 2015
Dated: 19-12-2015

Present
Sri Justice G. Bhavani Prasad, Chairman
Sri P. Rama Mohan, Member

Between:

Eastern Power Distribution Company of
Andhra Pradesh Limited
Rep. by its Chairman & Managing Director
P&T Colony, Seethammadhara
Visakhapatnam - 530 020

... Petitioner

A N D

-Nil-

... Respondent

The petition has come up for hearing finally on 28-11-2015 in the presence of Sri P. Shiva Rao, learned Standing Counsel and Sri T.V. Suryaprakash, General Manager (RA & PPA) representing the petitioner. After carefully considering the material available on record and after hearing the arguments of the party concerned, the Commission passed the following:

ORDER

A petition to adopt item 3D of the A.P. Solar Power Policy, 2015 in promoting solar rooftop energy with gross / net metering options and to allow applicable tariff as equal to the average cost of service of the distribution companies for sale of power by the developer in either gross metering or net metering.

2. The Eastern Power Distribution Company of Andhra Pradesh Limited in its petition, extracted Para 3D of G.O.Ms.No.8, Energy, Infrastructure & Investment (PR.II) Department, dated 12-02-2015 containing the Andhra Pradesh Solar Power Policy, 2015 issued by the Government of Andhra Pradesh. The petitioner claimed to have worked out the modalities for implementing the solar rooftop policy and

communicated the same to the other distribution company viz., Southern Power Distribution Company of Andhra Pradesh Limited in Memo. No.CGM/Comml, RA&PP/EPDCL/VSP/GM/PP/F.D.No.1395/15, dated 03-06-2015. In view of the responsibility of the petitioner to encourage the development of non-renewable energy and to accept the gross / net metering options from the eligible developers, the petitioner requested for permission to have the reliefs prayed for.

3. A public notice dated 03-11-2015 was placed on the website of the Commission and both the distribution companies in the State of Andhra Pradesh were directed to upload the public notice along with the Memo dated 03-06-2015 containing the guidelines for implementing the rooftop policy issued by the petitioner on their websites for information of the public and the distribution companies were also directed to make available the copies of the petition and the Memo to the public free of cost at the specified offices. The responses or objections of all the interested persons / stakeholders were invited through a public notice and views were received from VKWI Associates, Power Developers, Contractors and Consultants dated 24-11-2015 and Sri B.N. Prabhakar, President, Swapnam (NGO) along with a copy of Maharashtra Electricity Regulatory Commission (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015. The response of the petitioner to the views of the two stakeholders is also received.

4. On the date of public hearing, notified in the public notice, none appeared for the Objectors. Sri T.V. Suryaprakash, General Manger of the petitioner requested the petition to be ordered.

5. The point for consideration is whether the request of the petitioner needs to be positively considered.

6. The Government of Andhra Pradesh in Energy, Infrastructure & Investment (PR.II) Department issued G.O.Ms.No.8 dated 12-02-2015 containing the Andhra Pradesh Solar Power Policy, 2015 referring to the earlier solar power policy of the erstwhile State of Andhra Pradesh of 2012 and the necessity to come out with a new comprehensive policy due to bifurcation of the State. The policy is to be in force for five years from 12-02-2015 or till such time a new policy is issued. The incentives to solar power projects commissioned during that period shall be available for ten years from the commissioning date unless specified. Para 3D of the Government Order specifically provided about promotion by the Government of solar rooftop systems on public buildings, domestic, commercial and industrial establishments on gross and / or net meter basis which the consumer (s) are free to choose. The tariff order decides the applicable tariff so as to be equal to the average cost of service of the distribution company which will be determined by this Commission every year which facility should be extended for a period of twenty five years for eligible developers who set up solar rooftop projects. Para 3D enumerates the further working details of the solar rooftop projects. The petitioner was directed by the Government Order to issue modalities for implementing the said policy within thirty days to be followed by the other distribution company in the State also.

7. It is in pursuance of the said policy that the guidelines were accordingly issued by the petitioner on 03-06-2015. The Memo containing the guidelines does not appear to be contravening the provisions of any statute or statutory rules or statutory regulations.

8. VKWI Associates in their communication dated 24-11-2015 had appreciated the initiative for encouraging small solar projects but desired certain issues to be clarified either by the petitioner or by the Commission, viz.,- (i) whether roof top does mean only rooftop (ii) whether installation of the solar plant on the open ground (backyard etc.) can be permitted under the policy (iii) the installation of a check meter may be limited to gross metering and only if capacity exceeds 56 kWp to net metering (iv) to allow the practice of installing a solar plant of 56 kWp and above also under net metering procedure without converting into HT category with the distribution company deducting 3% energy from the net exported solar energy to the grid, to compensate transformer loss, while making payment and (v) the CUF / PLF limit may be increased to 25% or at least the existing limit of 20% may be calculated on year basis.

9. The suggestions of Sri B.N. Prabhakar, President, Swapnam (NGO) are to consider the eligibility of small solar projects installed in the premises duly utilizing not only rooftop but also the open land. He referred to the Maharashtra Electricity Regulatory Commission (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015 and more particularly the definitions of words “premises” and “rooftop solar PV system” therein for adoption by the petitioner and this Commission.

10. The petitioner in its reply to the suggestions firstly stated implementation of the solar power policy to be confined to utilizing rooftops only. It further stated that check meter has to be provided for accuracy if SRP capacity is more than 10 kWp. It also explained that it is not releasing any service under LT category when the contracted load is more than 56 kWp except industrial category

and when the upper limit of 20% is taken for considering CUF / PLF for solar power projects which will generally be around 18% to 20%. In its additional submissions dated 04-12-2015, there was no additional information than already stated.

11. However, even suggestions of both the stakeholders did not question the legality of the Government solar policy or the consequential guidelines issued by the petitioner. Policy making involving public interest is considered to be within the realm of the State Government as is evident from Section 108 of the Electricity Act, 2003 or Section 12 of the Andhra Pradesh Electricity Reform Act, 1998. As the policy or the guidelines do not contravene any statutory provisions on rules or regulations, the suggestions of both the stakeholders can only be recommended to be considered by the petitioner and the State Government keeping in view the various facts and circumstances projected by them as justifying their requests and the suggestions may be examined accordingly. Even the suggestions are clearly stated to be for the betterment of the policy and convenience of the stakeholders, while the desirability of implementing the policy as it stands was not questioned. What the petitioner requests is only permission to adopt item 3D of the Solar Power Policy and make the applicable tariff equal to the average cost to serve, which is but reasonable and just.

12. Therefore, the petition is allowed. No costs.

This order is corrected and signed on this the 19th day of December, 2015.

Sd/-
P. Rama Mohan
Member

Sd/-
Justice G. Bhavani Prasad
Chairman