

**JAMMU AND KASHMIR**  
**STATE ELECTRICITY REGULATORY COMMISSION**

**NOTIFICATION**

No.:JKSERC/13/2011

Dated: April 20, 2011

Pursuant to Regulation 2(4) of the Regulation titled (Terms & Conditions for Determining of Hydro Generation Tariff) Regulations, 2011, (hereinafter referred to as the Regulations) notified under No. JKSERC/11/2011 dated 20-04-2011, the Commission hereby notifies that:-

**1. GENERATING STATIONS OF CAPACITY UP TO 1 MW:**

For determining tariff for sale of electricity generated in hydro generating stations of generation capacity of 1 MW or less, such generators may avail either of the following two options :-

- (i) The generator or any other stakeholder may seek determination of his tariff in accordance with the provisions of the Regulations.
- (ii) In relaxation of the requirement of the Regulations, the tariff will be determined as the weighted average cost of power allocated to the State from Central Generating Stations. All other related provisions of these Regulations will continue to be applicable.

**2. GENERATING STATIONS OF CAPACITY BETWEEN 1 MW AND 25 MW:**

For hydro generating stations having capacities above 1 MW and up to 25 MW generation tariff during the initial five years when reliable historical data is not available, will be fixed on cost plus basis in accordance with the Regulations subject to following stipulations :-

- (i) The actual capital cost of such project shall not exceed Rs. 5.5 Crores/MW.
- (ii) The actual PLF for a project will not be less than 45% determined on annual basis. PLF means annual saleable energy as %age of the energy generated annually at plant's full installed capacity.
- (iii) In relaxation of Regulation 26 (2), the actual O&M expenses shall not be more than 3% of the capital cost. In addition, actual insurance charges will be allowed subject to a ceiling of 1 % of the capital cost.
- (iv) The Annual Fixed Charges (AFC) of such stations will be recovered from saleable energy available at 45% PLF through a single part tariff.
- (v) Electricity sold over and above the minimum PLF level of 45% will earn the generator only incentive calculated as per the rates given below:-

Year after Commissioning	1	2	3	4	5
Rate (paise/unit)	26	26	25	24	24

- (vi) All other related matters will be decided in accordance with the Regulations already notified by the Commission.
- (vii) A generator will have the option to get its tariff determined in accordance with the Regulation as relaxed above but subject to the normative ceiling of the capital cost, O&M expenses and minimum PLF stipulated above. Alternatively, a generator could get its tariff determined strictly in accordance with the Regulations without any relaxations or normative ceiling or minimum stipulations. The generator shall have to exercise this option at the time of determination of its first tariff and the options so exercised will be valid for the initial five years. Thereafter, tariff for all such projects will be determined only in accordance with the Regulations already notified.
- (viii) For projects which do not meet the normative ceiling of capital cost or the normative minimum PLF of 45% the tariff shall be determined in accordance with the notified Regulations without any relaxation but the Government could come forward to subsidise such projects.
- (ix) In case of more than one beneficiary, each beneficiary will bear the AFC and the incentive payable to the generator in proportion to its share in the total generation.
- (x) These provisions will apply only on a developer who enters into a power supply contracts with a utility/licensee valid for a period of at least 20 years for the entire or committed capacity.

By order of the Commission

Sd/-  
**Secretary,**  
Jammu and Kashmir  
State Electricity Regulatory Commission