

GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Petition No. 1729 of 2018

In the matter of:

Petition under Section-86 and other provisions of the Electricity Act, 2003 for implementation of 'Suryashakti Kisan Yojna' (SKY) notified by Government of Gujarat vide GR No. SLR/11/2016/2284/B1 dated 27.06.2018 on pilot basis, for solarisation of agriculture connections under the supply jurisdiction of State Distribution Licensees (i.e. DGVCL, MGVCL, PGVCL and UGVCL)

Petitioner No. 1: Paschim Gujarat Vij Co. Ltd., Rajkot

Represented by: Shri J. J. Gandhi

Petitioner No. 2: Uttar Gujarat Vij Co. Ltd., Mehsana

Represented by: Shri K. D. Barot

Petitioner No. 3: Madhya Gujarat Vij Co. Ltd., Vadodara

Represented by: Shri U. J. Parikh and Shri N. K. Makwana

Petitioner No. 4: Dakshin Gujarat Vij Co. Ltd., Surat

Represented by: Shri P. M. Patel

Co-petitioner: Gujarat Urja Vikas Nigam Ltd., Vadodara

Represented by: Shri R. J. Vala and Shri H. H. Patel

CORAM:

Shri Anand Kumar, Chairman

Shri K. M. Shringarpure, Member

Shri P. J. Thakkar, Member

Date: 26/07/2018

DAILY ORDER

- 1. This petition is filed jointly by Paschim Gujarat Vij Co. Ltd. (PGVCL), Uttara Gujarat Vij Co. Ltd. (UGVCL), Madhya Gujarat Vij Co. Ltd.**

(MGVCL) and Dakshin Gujarat Vij Co. Ltd. (DGVCL) for implementation of 'Suryashakti Kisan Yojna' (SKY) scheme.

2. The petitioners have submitted that-

- i. In order to promote use of renewable energy and to increase income of farmers, Central Government has contemplated a scheme namely 'Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM).
- ii. In addition to KUSUM scheme of Central Government, in order to achieve multiple objectives of addressing the energy requirement of farmers, empowering rural economy and to eliminate / reduce financial stress on DISCOMs and State Government and its citizens, State Government has decided to utilize solar resources available in the State for the benefit of the farmers and accordingly notified the Scheme namely Suryashakti Kisan Yojna (SKY) to be implemented on pilot basis.
- iii. The scheme is to be implemented on pilot basis, on 137 numbers of agriculture feeders covering 12400 numbers of agriculture connections having aggregate load of 1,42,000 HP in 33 Districts of the State. Under Pilot scheme, it is estimated that solar PV panels of aggregate capacity of 175 MW will be installed in the field of farmers with estimated cost of Rs. 900 crores.

3. The petitioners also submitted the objective of the scheme as under-

- i. To provide adequate and reliable day time power to farmers by installation of solar PV panels.
- ii. To incentivize farmers by selling surplus solar power to DISCOM and to provide secondary source of income to farmers thereby encouraging farmers for efficient utilization of power and water.
- iii. To help farmers to become self-reliant for their power requirement.

- iv. To create employment opportunities in rural area.
 - v. To reduce financial burden of DISCOMs and Government as well as cross subsidization to other consumers by reducing the subsidized power to farmers.
 - vi. To promote source of renewable energy and meet solar renewable purchase obligation of DISCOMs.
4. The petitioners have highlighted the brief of the Suryashakti Kisan Yojna (SKY) notified by Government of Gujarat and its mode of implementation as given below-
- i. The Scheme shall be applicable for agriculture connections.
 - ii. The farmers will be allowed to set up solar PV panels of 1.25 KW per HP of contracted load. For example, consumer having 10 HP agriculture connections can set up solar PV capacity of 12.5 KW. In case any farmer desires to install higher than the eligible solar PV capacity, the same shall be allowed as per technical feasibility and approval thereof as per the norms. However, State Government subsidy of Rs. 3.50 per unit will not be applicable for excess solar capacity (in excess of 1.25 KW per HP) installed by the farmer.
 - iii. The participating farmers have to contribute minimum 5% of estimated cost of solar PV capacity. The balance amount of 95% of estimated cost of solar PV capacity shall be met through subsidy from Central / State Government and availing loan on behalf of participating farmer from NABARD / other financial institutions.
 - iv. The loan repayment period will be 7 years.
 - v. The generated solar energy shall be utilized by the farmers for their irrigational requirement and surplus energy shall be injected into the grid for sale to DISCOMs at tariff of Rs. 3.50/Unit and another Rs. 3.50/Unit (within limit of 1000 Units / KW/ Annum) will be paid by the State Government as Evacuation Based

Incentive (EBI). The payment of EBI of Rs. 3.50/Unit shall be considered as 30% contribution from the State Government in the Scheme and the amount of EBI shall be considered for re-payment of loan amount of 30% towards Government of Gujarat share to NABARD/ Financial Institutions.

- vi. The EBI of Rs. 3.50/Unit shall be applicable only for the loan re-payment of 7 years and thereafter no subsidy will be granted by the State Government.
- vii. Participating farmer and DISCOMs shall execute agreement for the term of 25 years for sale of surplus power to DISCOM at the tariff of Rs. 3.50/Unit on billing cycle basis.
- viii. Any net drawl of power by participating farmer from grid on billing cycle basis will be charged at Rs. 3.50/Unit from presently metered and un-metered consumers
- ix. A committee of the participating farmers under the feeder is to be formed. The president of the Committee will communicate with the DISCOM for implementation of the scheme.
- x. After deducting loan repayment installments from the eligible amount of sale of surplus power, the balance amount will directly be paid in the Escrow Account created for this purpose by individual farmer and DISCOM.
- xi. The participant is allowed to contribute higher amount of contribution than 5% to increase their income due to reduction in loan amount.
- xii. The participating farmer shall not be eligible for any other subsidy for agricultural electricity consumption.
- xiii. After completion of loan repayment period, the applicable tariff for sale of surplus power will be Rs. 3.50/Unit for balance period of 18 years.
- xiv. During loan repayment period of initial 7 years, the ownership of solar power project shall remain with the DISCOM on behalf of

the State Government. After completion of loan repayment period, the ownership of solar PV project shall be with the farmer.

5. The matter was kept for hearing on 26.07.2018. Shri J. J. Gandhi of PGVCL on behalf of all the petitioners reiterated the contentions of the petition and requested the Commission to approve the rate of Rs. 3.50 per kWh for purchase of surplus power and to charge the tariff of Rs. 3.50 per kWh in case of net drawl of power by participating farmer covered under this SKY scheme.
6. The Commission is of the opinion that the implementation of SKY scheme as proposed envisages promotion of distributed generation in distribution network. Encouragement to subsidized consumer category to opt for self-generation through implementation of SKY scheme would result into improvement in economic operation and efficiency of DISCOMs.
7. As submitted by the Petitioners that this being undertaken as a pilot scheme, the participation of farmer in this scheme will be optional and voluntary. While the Commission decides to grant 'in principle' approval for implementation of the pilot scheme, we would like to provide an opportunity to stakeholders for submission of their views/ comments on proposed SKY scheme as a part of regulatory process.
8. Accordingly, the Commission directs the Petitioners to issue a public notice in two local Gujarati Newspapers having wide circulation in the State of Gujarat stating that the present Petition is filed by the Petitioners for implementation of SKY scheme and any suggestions/views in this regard be submitted in 5 (five) copies to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, Zone 5, Gift City, Gandhinagar - 382355, with a copy to

the Petitioners within 21 days from the date of publication of the public notice. The Petitioners are also directed to host the Petition on their respective websites for inviting objections/ suggestions from the stakeholders.

9. The Commission also directs the staff of the Commission to upload the present Petition on the Commission's website for inviting comments/ suggestions from the stakeholders within 21 days.

10. We order accordingly.

Sd/-	Sd/	Sd/-
[P. J. THAKKAR]	[K. M. SHRINGARPURE]	[ANAND KUMAR]
Member	Member	Chairman

Place: Gandhinagar

Date: 26/07/2018