



**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION HYDERABAD.
5th Floor, Singareni Bhavan Lakdikapul Hyderabad 500004**

O. P. No. 62 of 2018

Dated 19.12.2018

Present

Sri. Ismail Ali Khan, Chairman

Between

M/s. Hindustan Aeronautics Limited,
Balanagar, HAL Post, Hyderabad – 500 042.
AND

... Petitioner.

-Nil-

...Respondent.

This petition came up for hearing on 06.10.2018 and 03.11.2018. Sri A.K.Sarkar, DGM (Maintenance) appeared on behalf of the petitioner appeared on 06.10.2018 and 03.11.2018. The petition having stood over for consideration to this day, the Commission passed the following:

ORDER

This petition is filed under Regulation No. 6 of 2016 of TSERC (Net Metering Rooftop solar PV Grid Interactive Systems), Regulation 2016 seeking permission for installation of 2 MW solar power plant under developer mode on net metering basis at the petitioner's premises by relaxing the provisions of regulations which restrict the maximum capacity at 1 MW with the following material allegations:

- (i). The petitioner is a Government Public Sector Undertaking under Ministry of Defence, New Delhi and in the field of production and repair of Aircrafts Avionics for Indian Air Force (IAF).
- (ii) APCPDCL sanctioned 4.2 MVA load vide letter dated 09.09.2011. Pursuant to the directions of the Government of India (GOI) through letter dated 16.01.2015 for setting up 1000 MW of grid connected solar PV power

projects by the Central Public Sector Undertaking (CPSU) and GOI organisation under various central / state schemes / self-use/ third party sale / merchant sale with viability gap funding under batch-V of phase-II of JNNSM during 2014-15 onwards.

(iii) The petitioner prepared Request for selection of developer and PPA in line with solar energy corporation of India Ltd., tender documents which is a GOI enterprise, under Ministry of New and Renewable Energy (MNRE). Later tendering has been done and M/s. Giriraj Renewables (P) Ltd., Noida, UP, is qualified for L1 for taking up the work and is in the process of signing of LOI.

(iv) As per the TSERC Regulation No. 6 of 2016, the state authorities undertake solar power plants on net metering up to 1 MWp only as per clause 3.2 and 4.7. That being so, the petitioner had obtained confirmation vide letter of CGM(IPC & RAC) TSSPDCL dated 17.02.2018 for grid connectivity feasibility of 2 MWp solar power project for in-house captive use and injecting excess power generated into the grid which will be settled through available TSERC guidelines.

(v) The petitioner's project located at Uttar Pradesh (Korwa, Kanpur, Lucknow) have secured approval and permission from UPERC on net metering to put up solar power plants with more than one MW capacity.

(vi) The petitioner's Avionics division has one TSSPDCL energy meter connection of 4.2 MW for factory and one 0.7 MW connection for its township. As per clause 6.2 of Regulation No. 6 of 2016, the petitioner township connection is not eligible for 1MW solar PV plant connectivity. The petitioner has not opted for the option of installing 2 nos. 1.0 MW solar power plants at its premises.

(vii) The petitioner is seeking permission for installation of 2 MW solar power plant under developer mode on net metering basis at the petitioner's premises by relaxing the provisions of regulations which restrict the maximum capacity at 1 MW.

2. The power distribution company is not a party to the present petition. But however at the suggestion of the Commission, CGM (IPC & RAC), TSSPDCL vide letter dated 30.10.2018 responded by stating that as per the opinion given by

TSERC, the net metering capacity has been pegged at 1 MW due to the reason that open access all over the country been allowed to the consumers who are drawing power for more than 1 MW which is in tune with Telangana Solar Power Policy, 2015. The CGM (IPC & RAC) cited clauses 3.3 and 4.7 of Regulation No. 6 of 2016 of Rooftop Solar Photovoltaic System TSERC (Net Metering Rooftop Solar PV Grid Interactive Systems), which say that the regulation does not preclude the right of a distribution licensee or the state government department / authorities to undertake the rooftop solar PV projects above 1 MWp capacity through the alternative mechanisms. Further, the capacity of a rooftop solar PV system to be installed at the premises of an eligible consumer shall not be less than 1 kWp and a maximum of 1 MWp. Thus, CGM (IPC & RAC) stated that maximum allowable capacity may be maintained at 1 MW only.

3. On behalf of the petitioner, the General Manager Avionics of the petitioner filed a reply with the following additional averments:

(i) The GOI has fixed a target of installing solar power projects of 1,00,000 MW by 2022 and accordingly the MNRE, GOI has introduced a scheme for establishing 300 MW solar power plants by the Defence establishments under the MOD. Consequently, the petitioner has been given the task to establish 50MW by 2018-19 out of which, the petitioner at Hyderabad has been entrusted to establish 2.0 MW solar power. On application, the erstwhile APCPDCL presently TSSPDCL has sanctioned power load of 4.2 MVA for factory and 0.7MVA for the township at Hyderabad.

(ii) Though under Regulation 6 of 2016 state authorities undertake solar power plants on net metering up to 1.0 MWp only, the petitioner obtained confirmation from TSSPDCL for grid connectivity feasibility of 2.0 MWp solar power project for in-house captive use as Captive Power Plant (CPP) and injecting excess power generated into the grid which will be settled through available TSERC guidelines.

(iii) The other divisions of the petitioner located in Uttar Pradesh have also been assigned the task of setting up capacities of 1.75MW, 2.9MW, 4.0 MW at three places viz., Korwa, Kanpur, Lucknow. Though, regulation of 2015 of UPERC the net metering facility is allowed to plants with capacity up to 1.0 Mwp only, still the petitioner divisions accorded approval by the UPERC for setting up solar power plant with more than 1 MWp capacity with net metering facility.

(iv) As per the memorandum of Articles of Association, the petitioner is not permitted to carry out commercial business by taking ownership in the solar power plant or entering into any kind of joint ventures with a developer selected for installing the solar power plant at its premises. The approval given by TSSPDCL to the project as CPP is not suitable to the petitioner as minimum investment not less than 26% in the form of land as capital cannot be quantified which would be deviation from the core business of the petitioner.

(v) As per clause 6.2 of TSERC Regulation 6 of 2016, the petitioner township connection is not eligible for 1.0 MW solar PV plant connectivity. Thus, the petitioner has not opted for installation of 2 nos. of 1.0 MW solar power plants in its premises.

(vi) Under these circumstances, permission may be granted for installation of 2.0MW solar power plant under developer mode on net metering basis at the petitioner's premises.

4. Arguments on behalf of the petitioner heard.

5. The point for determination is whether the petitioner is entitled to permission for installation of 2 MW solar power plant under developer mode on net metering basis at the petitioner's premises by relaxing clause 4.7 of the Regulation 6 of 2016 of TSERC (Net Metering Rooftop Solar PV Grid Interactive Systems).

6. The petitioner is a PSU under the Ministry of Defence, GOI. As a part of the move to install solar power projects of 1,00,000 MW by 2022, the MNRE,GOI has

introduced a scheme for setting up 300MW solar power plants under the defence establishments. In the process, the petitioner units in the country have been given the task of setting up 50 MW solar power plants by 2018-19. As a part of the task, the petitioner unit at Hyderabad has been entrusted with the job of setting up a 2 MW solar power plant.

7. As per TSSPDCL, based on the directions of TSERC, the net metering capacity has been limited to 1 MW due to the reason that the open access all over the country has been allowed to the consumers, who are drawing power more than 1 MW, is also being implemented as per The Telangana Solar Power Policy, 2015.

8. Clause 3.3 of Regulation No. 6 of 2016 of Rooftop Solar Photovoltaic System TSERC (Net Metering Rooftop Solar PV Grid Interactive Systems) says that the “regulation does not preclude the right of a distribution licensee or the state government department / authorities to undertake the rooftop solar PV projects above 1 MWp capacity through the alternative mechanisms.” Further, clause 4.7 says that “the capacity of a rooftop solar PV system to be installed at the premises of an eligible consumer shall not be less than 1 kWp and a maximum of 1 MWp.” These regulations permit solar power plants with capacity of 1 MWp only to be set up. These regulations permit state government department / authorities to set up rooftop solar PV project above 1MWp through the alternative mechanisms and do not specifically refer to central government departments / PSUs.

9. However, the petitioner (HAL) has obtained confirmation from TSSPDCL for grid connectivity feasibility of 2.0 MWp solar power project for in-house captive use and injecting excess power generated into the grid, which will be settled through available TSERC guidelines. From this confirmation, it is clear that the petitioner

was ready with solar power project of 2.0MWp grid connectivity feasibility for in-house captive use and injection of excess power generated into the grid. The present request of the petitioner is for grant of permission for installation of 2.0MW solar power plant under developer mode **on net metering basis** by relaxing the provisions of regulations which restrict the maximum capacity up to 1 MWp.

10. TSSPDCL took a stand based on clause 4.7 of Regulation 6 of 2016 that the capacity of a rooftop solar PV system to be installed at the premises of an eligible consumer shall not be less than 1 kWp and a maximum of 1 MWp. Therefore, TSSPDCL claimed that the maximum allowable capacity is 1 MWp only. On this aspect, the petitioner took a stand that under similar circumstances, the units of HAL (Korwa, Kanpur, Lucknow) have been accorded approval by UPERC to set up solar power plants with more than 1MW with net metering facility, because the petitioner is a PSU under MOD which may also be permitted to install 2.0MWp solar power plant similarly.

11. The petitioner further relied on the orders dated 18.12.2017 of UPERC in Petition No. 1245 / 2017 filed by HAL, Kanpur seeking relaxation in the limit of 1 MW on installation capacity of rooftop solar PV system under the relevant regulations, since the applicant therein intended to install rooftop solar project of 2.9 MWp at its premises under net metering provisions. The Commission, keeping in view the target fixed by the GOI, the target of 4300 MW capacity to be installed in the state solar policy 2017, the rooftop solar system identified as flagship program with target of 80 MW solar to be achieved by March 2018, the request of UPNEDA to consider the prayer of the petitioner to relax upper ceiling limit of 1 MW for rooftop solar system and in view the no objection pleaded by U.P. Power Corporation Ltd, so long

as the installed capacity is within sanctioned load of the consumer, passed the orders. The UPERC, while reviewing the regulations by order dated 23.08.2017 had decided to retain the capacity limit of 1 MW on rooftop system and at the same time decided to consider the limit on case to case basis. The Petitioner contended that the same criteria may be applied to decide the present case and permit installation of 2.0 MWp capacity in the premises of the petitioner. In the referred case, the UPERC, after considering all provisions of the regulations, invoking its power to relax the capacity limit of 1 MW on solar system, under clause 16 of relevant regulations allowed the petitioner HAL, Kanpur to install roof top solar system of 2.9 MWp at its premises.

12. The petitioner further relied on the orders dated 23.01.2018 of UPERC in petition no. 1269/2017 wherein, on the application of the petitioner plant in Lucknow to set up 4.0MW grid connected roof top solar power facility, observing that on identical petition filed by HAL, Kanpur plant, the Commission granted permission to set up roof top solar power plant of more than 1MW capacity and keeping in view the objectives of the State government to encourage the roof top solar installations, approved the proposal of the HAL Lucknow to set up 4.0 MW roof top solar power plant by relaxing the provisions of regulations, which restrict the maximum capacity to 1 MW.

13. A perusal of orders of UPERC referred to by the petitioner show that the Commission in one case while permitting the request of the petitioner therein to install rooftop solar system of more than 1 MWp at its premises, had decided to reconsider the limit on case to case basis. In the other identical case, UPERC similarly allowed the petitioner therein to installation of rooftop solar power of 1.75

MWp at its premises keeping all other provisions the relevant regulations to remain in force. These two are similar cases seeking approval for higher capacity rooftop solar power plant.

14. TSSPDCL replied vide letter dated 30.10.2018 stating that the Commission gave opinion about the net metering capacity as having been pegged at 1 MW. TSSPDCL claimed that the maximum allowable capacity to be maintained is 1MW only.

15. A perusal of clause 4.7 of TSERC Regulation 6 of 2016 (Net Metering Rooftop Solar PV Grid Interactive Systems) says that the “regulation does not preclude the right of a distribution licensee or the state government department / authorities to undertake the rooftop solar PV projects above 1MWp capacity through the alternative mechanisms.” The regulations give a window to overcome the limit prescribed in clause 4.7 of the regulation in clause 3.3 which says that this regulation does not preclude the right of a distribution licensee or the state government department / authorities to undertake the rooftop solar PV project above 1MWp capacity through alternative mechanisms.

16. These above referred to clauses show that even the DISCOMS, state government or the authorities may seek approval for rooftop solar PV project above 1 MWp capacity. While drafting the regulations, it appears that the departments of central government were not contemplated as applicants. It appears that it is an inadvertent omission. The orders of UPERC clearly show that the petitioner status as PSU under MOD is kept in mind as also the target fixed by the state as well as the central government while approving the proposal for setting up rooftop solar PV project above 1 MWp capacity. Refusal of the request of the petitioner would also

obstruct the implementation of the target fixed by the central government to the PSU in the matter. The petitioner has made out a case for approval of the project and the request of the petitioner is granted.

17. The approval being accorded keeps in mind that clause 3.3 permits state government / authorities / DISCOMs to approve proposals of above 1 MWp capacity to roof top solar projects.

18. The approval to the petitioner is being given solely on the ground that the petitioner is a PSU under Ministry of Defence and under a target fixed by central government.

This order is corrected and signed on this the 19th day of December, 2018.

**Sd/-
(ISMAIL ALI KHAN)
CHAIRMAN**

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