

JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION, RANCHI

Jharkhand State Electricity Regulatory Commission (Modalities of Tariff Determination), Regulations, 2023

No.XX In exercise of powers conferred by sub-section (1) of Section 181 and clause (zp) of sub-section (2) of Section 181, read with Sections 61, 62, 63 and 86, of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, the Jharkhand State Electricity Regulatory Commission, hereby makes the following Regulations.

1. Short Title and Commencement

- 1.1. These Regulations may be called the Jharkhand State Electricity Regulatory Commission (Modalities of Tariff Determination), Regulations, 2023.
- 1.2. These Regulations shall extend to the State of Jharkhand.
- 1.3. These Regulations/ guidelines shall come into force from the date of their publication in the Jharkhand State Government Gazette.

2. Definitions and Interpretation

2.1. In this Regulation unless the context otherwise requires:

- a) **‘Act’** means the Electricity Act, 2003 (36 of 2003) and subsequent amendments thereof;
- b) **‘Commission’** means the Jharkhand State Electricity Regulatory Commission (JSERC);
- c) **‘Developer’** means an entity proposing to develop a transmission system in the State of Jharkhand;
- d) **‘Existing Project’** means a project which has achieved commercial operation;
- e) **‘Financial Year’** means a period commencing on April 01 of a calendar year and ending on March 31 of the subsequent calendar year;
- f) **‘Intra-State Transmission System’** or **‘inSTS’** in respect of the State shall have the same meaning as defined in the Act
- g) **‘Ongoing Project’** means a project which has been under implementation but has not achieved commercial operation;
- h) **‘Regulated Tariff Mechanism’** or **‘RTM’** means the determination of tariff by the Commission in accordance with the regulations specified by the Commission under Section 62 of the Act

- i) **‘State Transmission Utility’** or **‘STU’** means the Board or the Government Company specified as such by the State Government under sub-section (1) of Section 39 of the Act;
 - j) **‘STU Transmission Plan’** means an updated five-year rolling Intra-State Transmission System Plan for the State as prepared and issued every year by STU;
 - k) **‘Tariff Based Competitive Bidding’** or **‘TBCB’** means the determination of tariff through a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act;
 - l) **‘Threshold Limit’** means the limit set by the Commission beyond which the tariff of a transmission project will be determined through a transparent process of tariff-based competitive bidding.
 - m) **‘User’** means the generating companies, distribution licensees, buyers, Bulk consumers (SEZ), sellers and open access consumers, captive generating stations, as the case may be, who use the intrastate transmission network or the associated facilities and services of State Load Despatch Centre;
 - n) **‘Year’** means a financial year;
- 2.2. Words and expressions used in these Regulations and not defined herein but defined in the Act shall have the meanings respectively assigned to them in the Act.
- 2.3. Reference to any Act, Rules, and Regulations shall include the amendment(s), consolidation(s), or re-enactment(s) thereof.
- 2.4. All proceedings under these Regulations shall be governed by the JSERC (Conduct of Business) Regulations, 2016, as amended or re-enacted from time to time.

CHAPTER I: **GENERATION**

3. Power Procurement under Section 62 of the Act: -

- 3.1. All existing power-generating projects for which tariff is currently being determined in accordance with the Regulated Tariff Mechanism (RTM) under Section 62 of the Act shall be grandfathered and accordingly these projects will continue to be covered under the RTM framework and their tariffs will be determined under Section 62 for the remainder of the PPA period or life of the plant, whichever is earlier.
- 3.2. Expansion of existing state-owned and controlled power-generating projects will be allowed under Section 62 and their tariffs shall be determined based on norms specified in the JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020, as amended from time to time.

Provided that in case of expansion of generating capacity by private developers, the tariffs for the incremental generating capacity would be determined in accordance with the RTM framework under section 62. However, such expansion under the RTM

framework would be restricted up to the quantum of power approved under their existing PPA with the distribution licensee(s) in the state

- 3.3. Power produced from all Waste-to-Energy plants set up as per approved PPA with the distribution licensee in the State.
- 3.4. Tariff of all Hydro Power Plants, for which PPA has been approved by the Commission, shall be determined in accordance with the RTM framework under Section 62.

4. Power Procurement under Section 63 of the Act: -

- 4.1. Tariff for all power procurement not covered in Regulation 3 shall be discovered through a transparent process of tariff-based competitive bidding with prior approval of the Commission for the requirement of such capacity to be bid in pursuance to Section 86 (1) of the Act. Further, any deviation from the TBCB guidelines shall require prior approval of the Commission.

CHAPTER II: **TRANSMISSION**

5. STU Transmission Plan: -

- 5.1. The STU shall prepare an updated five-year Transmission System Plan for the State, identifying specific transmission projects which are required to be taken up along with others including but not limited to (a) Brief Scope of Work; (b) Estimated Cost (c) Estimated COD/ implementation timelines, for approval of the Commission by 28th February on a rolling basis every year (or as stipulated in the State Grid Code) in accordance with the State Grid Code read with Indian Electricity Grid Code and other guidelines/ regulations of Central Electricity Authority.
- 5.2. All intra-State transmission projects shall be consistent with the STU Transmission Plan.
- 5.3. No intra-State transmission project shall be considered for implementation unless the project is a part of the STU Transmission Plan and has been duly approved by the Commission.

6. Tariff Determination for InSTS Projects under Section 63 of the Act: -

- 6.1. All new greenfield intra-State transmission projects of Cost **Rs 175 Cr. & above**, being part of the STU Transmission Plan, shall be implemented through Tariff Based Competitive Bidding (TBCB) in accordance with the guidelines issued by the Central Government under Section 63 of the Act and any deviation from the guidelines should have prior approval of the Commission. The tariff of such intra-State transmission projects shall be discovered under Section 63 of the Act.

7. Tariff Determination for InSTS Projects under Section 62 of the Act: -

- 7.1. Tariff for all other intra-State transmission projects not covered under Regulation 6.1, being part of the STU Transmission Plan, shall be determined in accordance with the RTM framework under Section 62 of the Act.
- 7.2. Implementation of augmentation/ strengthening works, excluding O&M works, at the intra-State transmission substation and/ or line, being part of the STU Transmission Plan, shall be carried out by the respective developer in accordance with the provisions under Section 62 of the Act read with JSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2020, as amended from time to time, for which the STU shall obtain prior approval of the Commission on a case-to-case basis.

CHAPTER III: **DISTRIBUTION**

8. Determination of Retail Tariff: -

- 8.1. Retail Tariff for the consumers of the state shall be determined in accordance with Section 62 of the Electricity Act 2003 along with JSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2020, as amended from time to time.

CHAPTER IV: **MISCELLANEOUS**

9. Power to Relax: -

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these regulations on its own motion or on an application made before it by the affected party.

10. Power to Remove Difficulties: -

If any difficulty arises in giving effect to these regulations, the Commission may on its own motion or on an application filed by any affected party, issue such practice directions as may be considered necessary in furtherance of the objective of these regulations.