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**BEFORE  
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Amendment in CRE Regulations, 2014 as per directions of GoUP Under Section 108**

**Date of Order: 21 .03.2018**

**PRESENT:**

Hon'ble Sri Suresh Kumar Agarwal, Chairman

**IN THE MATTER OF :** Direction issued by GoUP under Section -108 of EA 2003 regarding incorporation of provisions in CRE Regulations, 2014

Principal Secretary  
Energy Department, GoUP

.....Petitioners:

**ORDER**

1. To promote solar energy in the State, Government of Uttar Pradesh has issued Solar Energy Policy-2017. The policy *inter alia* provides the following:

***Clause 8.1.4: Category-4 Large scale stand-alone solar projects set up for sale of power to Third party or Captive use:***

*Projects may be set up by the developers with the intention to sell power to third party or for 100% captive use or part captive use and sell part generation to third party or Electricity distribution Company.*

*(i) Exemption of 50 % on wheeling charges/transmission charges on Intrastate Sale of Power to third party or in case of Captive use. This exemption will be applicable as per technical feasibility and U.P. Electricity Regulatory Commission (UPERC) regulations, as amended from time to time. Distribution/Transmission losses and cross subsidy surcharge will be applicable as per U.P. Electricity Regulatory Commission (UPERC) regulations, as amended from time to time.*

*(ii) As Uttar Pradesh is a power importing State cross subsidy surcharge and wheeling charges/Transmission charges will be exempted 100 % for Intrastate Transmission system on Interstate sale of solar power.*

*(iii) .....*

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2. The Principal Secretary Energy, GoUP vide a Govt. order dated March 08, 2018, under section 108 of EA 2003, has directed on behalf of the Government of Uttar Pradesh that necessary amendment in concerned Regulations i.e. CRE Regulation 2014 be made to give effect to the above stated provisions of the Solar Policy 2017.

3. CRE Regulations, 2014 in its para 33 and 34 provide as follows:

**“ 33. Transmission Charges and Wheeling Charges:**

*The plant or the consumer, seeking ‘open access’ to the State and / or Inter State Transmission Systems and / or distribution system for carrying the electricity generated by it to the destination of use, shall pay the transmission charges, wheeling charges and such other charges for use of such facilities as determined by the Appropriate Commission(s).*

**34. Surcharge and Additional Surcharge:**

*A person, having established a Generating Plant shall be liable to pay surcharge and additional surcharge if it seeks open access for the transmission/wheeling of electricity from his Plant to a destination for consumption of power for his own use. In case, the power is supplied to a consumer then such consumer shall pay surcharge and the additional surcharge determined by the Commission. Surcharge and Additional Surcharge shall be over and above transmission and / or wheeling charges.”*

4. The Commission while framing CRE Regulations, 2014 observed that :

“These Regulations seek to achieve promotion of generation of electricity from RE sources based generation, facilitate connectivity of RE sources based power plants with the grid, ensure sale of electricity to any person and specify a percentage of the total generated electricity from Renewable sources that shall be purchased by Distribution Licensee of the area in which the plant is located.....”

5. Now to promote renewable energy generation by way of granting rebate on transmission charges and Cross Subsidy Surcharge and Additional Surcharge, the aforesaid provisions of Solar Policy 2017 are sought to be incorporated in the CRE Regulations 2014. The above directive is in reference to a Policy and has been issued in public interest, therefore the Commission decides to add the following *proviso* to Clause 33 of CRE Regulations, 2014

“ Provided for large scale stand-alone solar projects set up for sale of power to Electricity distribution Company or Third party or Captive use, there shall



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be exemption of 50 % on wheeling charges/transmission charges on Intrastate Sale of Power and 100 % exemption for Intrastate Transmission system on Interstate sale of solar power. This exemption will be applicable as per technical feasibility and U.P. Electricity Regulatory Commission (UPERC) Regulations, as amended from time to time. ”

Further the following *proviso* is added to para 34 of CRE Regulations, 2014

“ Provided for large scale stand-alone solar projects set up for sale of power to Electricity distribution Company or Third party or Captive use, there shall be 100 % exemption from State cross subsidy surcharge for Interstate sale of solar power. This exemption will be applicable as per U.P. Electricity Regulatory Commission (UPERC) Regulations, as amended from time to time. ”

6. The above amendment in the CRE Regulations 2014 shall come into force from the date of issue of this order.

(Suresh Kumar Agarwal)  
Chairman

Place: Lucknow  
Dated: 21 .03.2018