

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



KARNATAKA ELECTRICITY
REGULATORY COMMISSION

ಸಂಖ್ಯೆ : 16ಸಿ-1, ಮಿಲ್ಲರ್ ಟ್ಯಾಂಕ್ ಬೆಡ್ ವರಿಯ
ವಸಂಥನಗರ, ಬೆಂಗಳೂರು-560 052.

No. 16 C-1, Miller Tank Bed Area
Vasanthanagara, Bengaluru-560 052.

No: KERC/S/F-31/Vol-1207/2018-19/1643

Date: 07.03.2019

Managing Director,
KREDL., # 39, "Shanthi Gruha",
Bharath Scouts Guides Building,
Opp. The Chief Post Master Generals Office,
Palace Road, Bengaluru - 560 001.



Sir,

Sub: Procurement of Solar Energy from ground mounted solar projects - reg.

Ref: Letter No: KREDL/07/SG/100MW/533-B/2018-19/861-62, dated
11.02.2019 addressed to the GoK with a copy to this office.

The Commission has taken note of the large scale power procurement from renewable energy sources especially from Solar Power Projects by the State Distribution Companies over the years, in pursuance of the State Government's Policy to promote renewable energy sources in the State.

In this context, on examination of the data provided by the distribution companies, in support of their applications filed for revision of retail tariff for the Financial year 2019-20, the Commission has observed that, the power availability from all sources is far in excess of their requirement and therefore, they have to restrict procurement from high cost thermal sources though it would entail payment of fixed charges. The distribution companies, with the approval of the Commission, have already contracted to procure adequate power from Solar Energy sources enabling them to comfortably meet their RPOs not only for the Financial year 2019-20 but also for another couple of years. Thus, there is no requirement in the near future for procurement of power from Solar Power Projects, either to meet the RPO or general Demand. Any further procurement will not only have adverse financial impact on the distribution companies but also impact grid stability, apart from resulting in tariff burden to the consumers. The Commission has also noted that even now many distribution companies are defaulting in making payments towards power supply by the generators, especially renewable energy generators, because of cash flow constraints.

In view of the above, I am directed by the Commission to inform you not to initiate any further bidding process in respect of procurement of Solar Energy from ground mounted solar projects, until further Orders.

Yours faithfully,

Secretary

for Karnataka Electricity Regulatory Commission.

GM (Tech) KERC

Copy to MD KREDL

1. The Additional Chief Secretary to Government, Energy Department, Govt. of Karnataka, Vikasa Soudha, Bengaluru- 560001 for information.
2. The Managing Director, BESCOM, MESCOM, CESC, HESCOM & GESCOM for information.