

**KERALA STATE ELECTRICITY REGULATORY COMMISSION  
THIRUVANANTHAPURAM**

**Present : Shri T K Jose, Chairman  
Shri B Pradeep, Member  
Adv. A.J Wilson, Member**

**OP No 05/2023**

In the matter of : Petition seeking amendment to the KSERC (Connectivity and Intra- State Open Access) Regulation, 2013 for the development of wind power in Kerala through private developers.

Petitioner : M/s Aluva Plastic Consortium Private Ltd

Respondents : 1. Kerala State Electricity Board Ltd (KSEB Ltd)  
2. The Secretary, Power (PS) Department  
3. The Director, ANERT  
4. The Principal Accountant General (Audit)  
Thiruvananthapuram  
5. The Accountant General (A&E)  
Thiruvananthapuram

Petitioner represented by : Shri. K.K.Ibrahim,MD, M/s Aluva Plastic Consortium Private Ltd  
Smt. Neenu Skaria, Consultant

Power Department represented by : Shri Sreelal.T.V, Joint Secretary

ANERT represented by : Shri. Sri. Ajith Gopi, Joint Chief Technical Manager

KSEB Ltd represented by : Shri. M.P.Rajan, Deputy Chief Engineer  
Smt. Latha.S.V, Executive Engineer

Date of hearing : 22.02.2023

Venue : Hybrid mode at Court Hall of the Commission

**Order dated 05.06.2024**

1. M/s. Aluva Plastic Consortium Private Limited on 14.12.2022, has filed a petition before the Commission seeking the following relief;

*“1.Kindly amend the KSERC (Connectivity and Intra-State Open Access) Regulations, 2013, Regulation 6(6), with reference to the Policy Guidelines notified by Government of Kerala, for the development of Wind Power in Kerala through private developers (modified order issued [G.O. (Rt.) No.57/2016/PD dated 04.03.2016].*

*2.Directions may be given to KSEB Ltd. follow Power Department Policy Guidelines for development of Wind Power in Kerala through private developers, modified order issued [G.O. (Rt.) No.57/2016/PD dated 04.03.2016].”*

2. The summary of the petition is given below;

- (1) M/s. Aluva Plastic Consortium (P) Ltd., is a HT-1A Industrial consumer of KSEBL with a contract demand of 340 kVA. The industry is located at Industrial Development Area, Erumathala, Aluva.
- (2) The petitioner is intending to install 250 kW WTG at Udumpanchola Taluk, Karunapuram village, Idukki, for their captive use. On 26.08.2019, the petitioner submitted an application for connectivity with KSEBL. Subsequently on 16.12.2020, the petitioner received a letter from Chief Engineer (Distribution-Central) of KSEBL to remit Rs.52,53,505/- towards Infrastructure Development Charges (IDC) along with the supervision charges for the establishment of WTG project.
- (3) As per the policy guidelines of the Government of Kerala for the development of Wind Power Project in Kerala through private developers, notified vide the G.O.(MS) No.18/2013/PD dated 22.04.2013 and its modifications dated 04.03.2016, the maximum IDC charge payable by the wind developers is limited to Rs.20 lakhs per MW or actual expenditure whichever is less. However, KSEB Ltd. claim the infrastructure Development Charges (IDC) as per their estimate.
- (4) As per the Regulation 6 (6) of the KSERC (Connectivity and Intra State Open Access) Regulations, 2013, provide as following regarding cost recovery of dedicated transmission/distribution systems for the consumers/generators.  
*“The cost of construction/installation of dedicated line or the augmentation of the transmission or distribution system and associated facilities shall be borne by the applicant and the requisite steps to be taken in this regard shall be as mentioned in the State Grid Code or State Supply Code or the State Distribution Code as the case may be”.*
- (5) Hence the petitioner request to change the Regulation 6 (6) of the KSERC (Connectivity and Intra State Open Access) Regulations, 2013, in line with the policy of the State Government as per the G.O dated 04.03.2016.

3. The Secretary to Government, Government of Kerala vide its letter dated 15.02.2023 submitted that, the State Government have constituted a committee vide G.O (Rt) 05/2023 PWR dated 10.01.2023, for submitting a report for amending the existing wind energy policy, after examining all

aspects including the issue raised by M/s Aluva Plastic Consortium. The committee includes the following members;

CEO, ANERT	– Convenor
Director, EMC	- Member
Chief Electrical Inspector	- Member
CE, REES, KSEBL	- Member

4. The Commission admitted the petition as OP 05/2023. Shri. K.K.Ibrahim, MD, M/s Aluva Plastic Consortium Private Ltd and Smt. Neenu Skaria, consultant, presented the matter on behalf of the Petitioner.

Smt. Latha.S.V, presented the comments on behalf of the respondent KSEB Ltd. Shri Sreelal.T.V, Joint Secretary, Power Department, Government of Kerala, presented the comments on behalf of the Government. The summary of the deliberations during the hearing is given below.

- (1) M/s Aluva Plastic Consortium Private Ltd submitted the following;
- (i) The petitioner had submitted a connectivity application to KSEBL on 26.08.2019. Consequently, KSEBL vide letter dated 16.12.2020 informed the petitioner to remit ₹52,53,505/- towards Infra Structure Development Charges (IDC), along with supervision charge for the establishment of 250KW WTG.  
As per the G.O(Rt)No.57/2016/PD dated 04.03.2016 stipulates that the IDC charge may be limited to 20 Lakh/MW or actual expenditure whichever is less. However the KSERC (Connectivity and Intra State Open Access) Regulations,2013 stipulates that, applicant shall bear the cost of construction/installation of dedicated line or the augmentation of the transmission or distribution system and associated facilities.
  - (ii) Shri K.K Ibrahim, Aluva Plastics, further submitted that, they had submitted the connectivity application to KSEBL with the assumption that the IDC charges will be levied as per the G.O dated 04.03.2016. But the KSEB Ltd had claimed the IDC charges as per the KSERC (Connectivity and Intra State Open Access) Regulations, 2013.
  - (iii) Hence the petitioner requested before the Commission to amend the KSERC (Connectivity and Intra State Open Access) Regulations, 2013 as per the G.O dated 04.03.2016 of Government of Kerala.
- (2) Sri. Sreelal.T.V, Joint Secretary, Power Department, on behalf of the State Government submitted that, the Government have constituted a committee, as per the G.O dated 10.01.2023 for submitting a report for amending the existing wind energy policy after examining all aspects including the issue raised by M/s Aluva plastics. The

committee yet to start the process. Once the Committee finalise the report, the Government will submit a copy to the Commission.

- (3) Shri Ajith Gopi, ANERT submitted that, the issues raised by the petitioner may look into while amending the existing Wind Policy.
  - (4) KSEB Ltd submitted that, the petition is not legally maintainable since, the regulations cannot be modified by a petition by the interested parties. Hence, the Commission may reject the petition filed by the petitioner.
5. KSEBL vide the letter dated 27.02.2023 submitted that, the petitioner M/s Aluva Plastics Consortium (P) Ltd submitted an application for connectivity to KSEBL for its 1x 250 KW WEG to be setup at Kuruvikkanam, Karunapuram Village, Idukki for its captive use at its industry at Aluva with a contract demand of 340 kVA.

Regulation 23(1) of the KSERC (Renewable Energy and Net Metering) Regulations, 2020, states that the ,  
*‘(1) The Distribution licensee or the State Transmission Utility, as the case may be, shall on demand, provide connectivity for the renewable energy generation system, as per the provisions specified in KSERC (Connectivity and Intra State Open Access) Regulations, 2013, as amended from time to time’.*

The Regulation 8 of the KSERC (Connectivity and Intra State Open Access) Regulations, 2013 stipulates the procedure for grant of connectivity for a generating station to distribution system. The provisions of Regulation 8(6) and 8(7) of the said Regulations is extracted below.

*“(6) In case a dedicated line in distribution system is required to be constructed or where augmentation of the distribution system is to be carried out for grant of connectivity, distribution licensee shall, within thirty days from the date of receipt of application, inform the applicant about the broad design features, estimated cost and the time frame for completion of the dedicated line or the system augmentation.*

*(7) The cost of construction of the dedicated line or the augmentation of the distribution system and associated facilities shall be borne by the applicant and the requisite steps to be taken in this regard shall be as mentioned in the detailed procedure.”*

As per the Regulation 8(6) of the Open Access Regulations, 2013 as extracted above, KSEBL has estimated the cost of connectivity of the 250kW wind plant at Rs 52,53,505/- . The action of KSEBL in this regard is strictly in accordance with the Open Access Regulations, 2013.

KSEBL further submitted that, if the IDC charges is limited to Rs 20.00 lakh per MW as per the policy of the State Government as requested by the petitioner, then the remaining cost will have to be borne by KSEBL, which will be loaded on the ordinary consumers of the State.

6. In the meanwhile, the State Government vide its letter dated 26.03.2024 has submitted a copy of the Minutes of the meeting dated 19.10.2023 of the committee constituted by the State Government vide the GO dated 10.01.2023, which is discussed in paragraph-3 above. The meeting was chaired by Hon'ble Minister for Electricity. The important decisions taken in the meeting is given below.
- (1) The wind project implementation mechanism in the State like Tamil Nadu may be studied and reported to Government.
  - (2) Possibilities of wind projects in Idukki and Palakkad may be explored.
  - (3) The identification and usage of tribal land for the wind projects shall be done in accordance with Tribal Act. The same may be explored thoroughly.
  - (4) A committee under the chairmanship of District Collector may be constituted for scrutinising the matters regarding the final approval for usage of tribal land for wind projects.
  - (5) The amendment of wind farm policy will be done subject to the approval of KSERC.
  - (6) The draft Wind Farm Policy with the above conditions will be submitted for the approval of the Cabinet.
7. The State Government also submitted a copy of the report submitted by the committee regarding the 'proposals for single window mechanism for the development of wind farms in the State of Kerala'. The recommendations/ suggestions and conclusions in the report of the committee is extracted below.

*“ 6. Recommendations / Suggestions*

*a) Certificates from Local Self Government (NOC, Possession Certificate)*

*Since there is difficulty in getting NOC from the Local Self Government bodies, it was suggested that the intervention shall be made with the LSG Department to issue a direction / G.O to release the respective NOCs in priority, if there is no hindrance in the installation of wind farms in their area. It is suggested that the NOC may be issued by the LSG bodies within a period of one week.*

*Regarding the certificate from the revenue officer that has to be submitted for getting the Technical Approval, it is suggested that the certificate shall include both the possession certificate as well as the status showing the proposed site does not belong to the Forest Dept or Tribal Land in a single certificate. It*

*is better to have a single document in this regard from the concerned revenue officer.*

*b) Certificate from National Institute of Wind Energy Govt of India (NIWE)*

*In case of the certification from NIWE for the Proposed Wind Machines, suggestions can be sought from NIWE regarding the site inspection protocols and also regarding the distance between WEGs. It is suggested that technical approval should be granted to the wind machines with NIWE certification only.*

*c) Government under the leadership of KSEBL is going ahead with the Green Corridor and Transgrid Projects which are proposed for improving the Power Infrastructure facilities, so as to have an ecosystem of RE development in the State*

*d) The Infrastructure Development Charges (IDC) connected with the Power evacuation from the wind farm shall be borne by the wind farm developers themselves as per the present KSERC regulations.*

*e) It is suggested that KSEBL shall provide power infrastructure and power evacuation facility related data map of the wind potential locations of the State of Kerala.*

#### **7. Conclusions**

*A Single Window Mechanism is proposed for processing the application and the proposal from a wind farm developer to make the wind farm development process easier and time bound. The single window provision will be effective if and only if the office behind the single window mechanism effectively coordinates for obtaining all the necessary approvals from various stake holder institutions including ANERT, KSEBL, Electrical Inspectorate etc.*

*Since major approvals and decisions are taken by KSEBL for realisation of the project, It is proposed that the CE REES, KSEBL shall take the central role as the convenor of the Single Window Mechanism for initiating the project activities from the power utility side and also coordinating different approvals from ANERT and Electrical Inspectorate. Once this proposal is implemented with a direction from Government (G.O), the process from the concept to commissioning will be easier for a Wind Farm Developer.”*

#### **Analysis and Decision of the Commission:**

8. The Commission has examined in detail the petition filed by M/s Aluva Plastic Consortium Private Ltd for amending the KSERC (Connectivity and Intra-State Open Access) Regulation, 2013 for the development of wind power in Kerala through private developers, the comments of KSEBL, the provisions of the Electricity Act, 2003, other Rules and Regulations in force, has decided on the matter as follows;

9. The only prayer of the petitioner M/s Aluva Plastic Consortium Private Ltd is to 'amend the Regulation 6(6) of the KSERC (Connectivity and Intra- State Open Access) Regulation, 2013, in line with the modified Order of the GoK vide the G.O (Rt) No.57/2016/PD dated 04.03.2016. The Commission has examined the prayer of the petitioner, and noted the following.

(1) The Commission, in exercise of the powers conferred on it under Section 181 of the Electricity Act, 2003 has notified the KSERC (Connectivity and Inter-State Open Access) Regulations, 2013 on 30<sup>th</sup> November 2013 (herein after referred to as Open Access Regulations, 2013).

(2) The Open Access Regulation was finalised after completing the due procedures including previous publication as per the Electricity (Procedure for Previous Publication), Rules, 2005, stake holder consultation and public hearing.

For making amendments, changes and modifications of the Open Access Regulations, 2013, the Commission has to complete all these procedures including previous publications, stake holder consultation and public hearings.

(3) Hence, the Commission could not consider the prayer of the petitioner to modify the Open Access Regulations, 2013 and hence liable to be rejected. However, as and when the Commission initiate the process for amending/ revising the Open Access Regulations, 2013, the Commission may also consider the provisions in the then prevailing Wind Power Policy notified by the State Government for the promotion of Wind Power Plants in the State of Kerala.

10. The Commission has also examined the issues raised by the petitioner regarding the Infrastructure Development Charges claimed by the KSEBL. The summary of the issues raised by the petitioner and respondents is given below.

(1) As per the Government Order GO (Rt) No. 57/2016/PD dated 04.03.2016, the maximum IDC charges payable by the wind developers is limited to Rs 20.00 lakh/MW or actual expenditure which ever is less.

However, KSEBL has claimed Rs 52,53,505 /- towards IDC charges for the proposed 250kW plant of the petitioner.

(2) The respondent KSEBL submitted that, as per the Regulation 8(6) and 8(7) of the Open Access Regulation, 2013, the cost of construction/ installation of the dedicated line or the augmentation of the transmission or distribution system and associated facilities for granting connectivity shall be borne by the applicant. Accordingly, KSEBL has demanded Rs 52,53,505.00 towards the cost of the augmentation of the distribution system for providing connectivity to the applicant.

Hence the action of the KSEBL is strictly as per the provisions of the Open Access Regulations, 2013.

KSEBL further submitted that, if the IDC charges is limited to Rs 20.00 lakh/MW as per the policy of the State Government, then the remaining cost will be loaded on the ordinary consumers of the State.

11. The Commission has examined the provisions in the 'Policy Guidelines issued by the State Government for the development of wind power through private developers, regarding the connectivity of the power plant and evacuation facilities for the development of WEGs in private land, and noted the following.;

- (1) The State Government vide its Order GO (Ms) No. 07/2007/PD dated 11.05.2007 has notified 'Policy Guidelines for the development of wind power in Kerala through private developers'.

The paragraph 3.5 of the said policy guidelines deals with 'Infrastructure Development'. The relevant paragraph is extracted below.

*"3.5 Infrastructure Development.*

*3.5.1 The Developer at their own cost and responsibility shall carry out necessary infrastructure development such as construction of approach roads, improvement to existing roads etc. In addition to that developer shall pay development charge to KSEB/STU.*

*3.5.2 **Government in consultation with KSEB/STU will fix the development charge from time to time on a per Mega watt (MW) basis and the developers shall remit the charges to KSEB/STU. KSEB/STU shall issue permission for interconnection to the grid on a first come first served basis based on payment of the development charge. For small developers proposing to install single WEG, KSEB/STU may permit payment of the development charges in 2 equal instalments (one before interconnection permission and the other before interconnection) considering the merit of the application. In the case of small developers (Proposing to install WEGs of capacity upto 1MW), KSEB/STU may permit interconnection to the grid on payment of 50% of the development charges and the balance shall be paid before interconnection, considering the merit of the application.***

*3.5.3 For technical proposals already under consideration as on 31-12-2006, the infrastructure development charge is tentatively fixed as Rs.20 lakhs per MW which will be finalized in consultation with KSEB and the difference, if any, will be settled between the developer and KSEB/STU."*

As per the policy guidelines as above, the State Government has tentatively fixed the infrastructure development charges @Rs 20 Lakh/MW for those projects for which technical proposals are already under consideration as on 31.12.2006. It is also stated therein that, the difference, if any, will be settled between the developer and KSEB/STU.



- (2) Subsequently, the State Government vide the GO (Rt) No.57/2016/PD dated 04.03.2016 has ordered to modify the Clause 3.5.3 of the Guidelines as follows;

*“The IDC charges may be limited to Rs 20 lakh/MW or actual expenditure whichever is less”*

As extracted above, as per the policy directives of the State Government, from 04.03.2016 onwards, the maximum development charges that can be collected by KSEBL is limited to Rs 20.00 lakh/MW.

The State Government has notified the policy, with the objective to attract more investment in Wind Energy Generation in the State through private developers at their own land through IPP/PPP route.

But it is also fact that, the Infrastructure Development Charges (IDC) @Rs 20 lakh/MW was originally fixed in the Year 2007. Though there is considerable cost escalation over the years since 2007, no enhancement was made thereafter on the normative IDC to be collected from the WEGs for granting connectivity etc.

12. As mentioned earlier, the Commission, by invoking the powers conferred on it under Section 181 of the EA-2003 has notified the KSERC (Connectivity and intra-State Open Access) Regulations, 2013. The Chapter-III of the said Regulations (Regulation 4 to Regulations 9) deals with ‘grant of connectivity and related issues’.

The Regulation 6(6) of the Open Access Regulations, 2013 provides that, the applicant for getting connectivity to the intra-state transmission system shall bear the cost associated with construction of the dedicated transmission or distribution system and associated facilities. The relevant Regulations is extracted below.

*“6(6)The cost of construction/installation of dedicated line or the augmentation of the transmission or distribution system and associated facilities shall be borne by the applicant and the requisite steps to be taken in this regard shall be as mentioned in the State Grid Code or State Supply Code or the State Distribution Code as the case may be”.*

Similarly, the Regulation 8(6) and 8(7) of the Open Access Regulations, 2013 provides that, the cost of construction of the dedicated line or the augmentation of the distribution system and associated facilities shall be borne by the applicant seeking connectivity of its generating station to distribution system.

13. The Commission has notified the said provisions in the Open Access Regulations, 2003 considering the fact that, the basic infrastructure development in the Transmission and distribution system is being done by the

licensee, and its cost recovery is ensured through ARR of the licensee and subsequently in the form of retail tariff/ wheeling/transmission charges.

However, the cost incurred for developing/ augmenting the transmission/ distribution system as the case may be, as part of connectivity of a generating station to the transmission/ distribution system, has to be recovered from the developer/ applicant itself, who is developing the project. There is no provision in the Electricity Act, 2003 and other Rules and Regulations to share such cost incurred for the benefit of the individual beneficiaries with the ordinary consumers of the State.

14. But, most often the IDC charges claimed by KSEBL from the wind developers is on the higher side. In the instant case, for the connectivity of the 250kW WEG, KSEBL has claimed Rs 52.53 lakh. On MW scale, this is about Rs 2.10 crore per MW. The said amount is the total cost required for power evacuation from pooling station to 66kV substation at Nedumkandam. This seems to be excessive for a developer proposing to establish wind capacity of 250kW.

The Commission is of the view that, IDC charges to be realised from the developers of wind power plants has to be rationalised in line with the initiatives taken by the State Government for the development of Wind Power Plants in the State through the policy initiatives.

15. The Commission noted that, the State Government vide the GO dated 10.01.2023 has constituted a committee for submitting necessary proposals for amending/ revising the existing Wind Policy before the Government. The committee includes the representatives of KSEBL also. The Committee has prepared the initial draft report and a copy was forwarded to the Commission. The major recommendations/ suggestions of the Committee in the draft report is extracted under **paragraph-7** above.

The Committee suggested that, the Infrastructure Development Charges (IDC) connected with the power evacuation from the wind farm shall be borne by the wind farm developers as per the provisions of the KSERC Regulations.

16. The Commission has also noted that the decision taken in the meeting of the committee held on 19.10.2023, wherein it is recommended that the amendment of wind farm policy will be done subject to the approval of the KSERC. The Commission hereby clarify that, approval of this Commission is not required for notifying the Wind Farm policies by the State Government, consistent with the Electricity Act, 2003. However, on policy matters involving financial implications and ultimately reflecting in retail electricity tariff of the consumers, KSEBL shall be permitted to implement them only with the approval of the Commission in consultation with the State Government. Alternatively, the Government may consider providing financial support to the developers / KSEB Ltd by way of VGF or other suitable mechanisms to bring down cost of connectivity in remote areas, in public interest.
17. The Commission is of the view that, as part of the finalising the proposals for amending existing wind policies on wind power development, the Committee

constituted by the State Government vide the GO dated 10.01.2023 should have detailed consultation with the stake holders and other interested parties including the potential developers interested in establishing WEGs in the State through IPP/CPP mode. The issue of Infra Structure Development Charges (IDC) raised by the petitioner M/s Aluva Plastic Consortium Private Ltd, which is the cost of providing connectivity to the project with the existing transmission/distribution systems, may also be discussed during the stakeholder consultation as a specific issue. An amicable proposal for the recovery of the cost of connectivity, duly considering the capital investment plans of KSEB Ltd including the Green Corridor Projects, which are already in the pipeline, may be proposed to facilitate the promotion of wind power development and at the same time recovery of reasonable cost may be ensured to KSEBL to avoid additional burden on other consumers in the state of Kerala.

### **Orders of the Commission**

18. The Commission after examining in detail the petition filed by M/s Aluva Plastic Consortium Private Ltd seeking amendment to the KSERC (Connectivity and Intra- State Open Access) Regulation, 2013 for the development of wind power in Kerala through private developers, the comments of KSEBL, the provisions of the Electricity Act,2003, other Rules and Regulations in force, hereby Orders the following;
- (1) Reject the prayer of the petitioner to amend the Regulation 6(6) of the KSERC (Connectivity and Intra-State Open Access) Regulations, 2013, due to the reasons cited under Paragraph 9 above.
  - (2) The Committee constituted by the State Government vide the GO dated 10.01.2023 for submitting necessary proposals for amending/ revising the existing Wind Energy Policy may discuss and finalise the proposal for the recovery of Infra Structure Development Charges (IDC) from the wind power developers, as suggested in the paragraph-17 above.

The petition disposed of. Ordered accordingly.

**Sd/-  
T K Jose  
Chairman**

**Sd/-  
Adv. A J Wilson  
Member**

**Sd/-  
B Pradeep  
Member**

Approved for issue

**Sd/-  
C R Satheesh Chandran  
Secretary**