

## **FICCI hails dismissal by Gujarat power regulator of GUVNL petition on downward revision of solar tariff**

**NEW DELHI August 20, 2013:** The Federation of Indian Chambers of Commerce and Industry (FICCI) has hailed the Gujarat Electricity Regulatory Commission's (GERC) decision to dismiss Gujarat Urja Vikas Nigam Limited (GUVNL) petition seeking reduction in solar tariff. Earlier, GUVNL had petitioned the regulator to reduce the tariffs from Rs 12.54 per unit to Rs 9 per unit on the grounds that the cost of building these plants was unexpectedly lower than what was envisioned when the tariff was fixed. The industry however had opposed this decision calling it uncalled for.

This petition was dismissed on Monday by the state power regulator GERC, which cited delay and non-jurisdiction as the basis for dismissal. The GERC's decision to dismiss GUVNL's petition has brought a big relief to the solar sector in India which is already reeling under pressure due to low off-take and lack of sustainable demand. Many of the solar companies in India had objected to GUVNL's petition made last month. FICCI had called the state utility's decision uncalled for and retrograde. In response to GUVNL's petition, FICCI had written to the GERC and Gujarat government urging them to not cut back the tariff as it would lead to a dampening of investor sentiments. FICCI had also stated that an acceptance of GUVNL's proposal would amount to a policy reversal of the Gujarat Government's state solar policy. This step would have sent out wrong signals to investors and solar energy project developers.

FICCI Secretary General Dr Didar Singh said this decision will reinstate investor confidence in an already dampened market sentiment especially in the solar energy sector. If the state government had accepted the GUVNL petition it would have signaled a policy reversal. FICCI is happy that the state government has addressed the concern of the project developers.

### **About FICCI Solar Energy Task Force**

FICCI Solar Energy Task Force was launched in March 2010, with the launch of Jawaharlal Nehru National Solar Mission (JNNSM) to provide a platform for the solar energy sector to deliberate on policy and regulatory issues and advance interests of the sector at domestic and global platforms. The Task Force is represented by 32 members from the entire value chain of the solar industry including manufacturers, project developers, system integrators, EPC companies, raw material suppliers as well as the certification agencies.