

FAQ (Frequently Asked Questions about new tariffs and other guidelines for ROR- PPA)

1. What is the posted tariff for the energy from ROR projects up to 100 MW?

Dry season: Rs. 8.40/KWh with 3% simple escalation per annum for 8 years

Wet season: Rs. 4.80/KWh with 3% simple escalation per annum for 8 years

2. What do you mean by dry and wet seasons?

As per conventional PPA system in which dry season energy criteria is minimum 15% of total annual energy, they stand for 4 months and 8 months respectively as follows:

Dry season: Poush-Chaitra

Wet season: Baisakh- Mangsir

However, recent decision states that ROR projects should meet the criteria of dry season energy as 30% minimum out of the total annual contract energy and such projects shall be allowed to sign the PPA by taking the seasons as follows:

Dry season: Mangsir 16-Jestha 15

Wet season: Jestha 16- Mangsir 15

3. Is minimum 30% dry energy criteria a MUST for signing the PPA of ROR projects?

No, it is optional. You can choose one option out of the following two: 15% minimum dry season energy from Poush to Chaitra or 30% minimum dry season energy from Mangsir 16 to Jestha 15.

4. Should Q40 probability of Exceedence criteria be met in case of 30% or 15% dry season energy criteria?

Yes, it is required in either case. But developers may develop the projects below Q40 also subject to their own wish to sell its energy to NEA at Take and Pay condition. If NEA does not purchase this energy, the developer can sell it to market by paying the wheeling charge if technically feasible.

5. Can the PPAs signed already with minimum 15% dry energy be changed into the 30% dry energy option?

No, they are not allowed. Only the PPAs signed from Baisakh 14, 2074 can have their PPAs as per new guidelines including the 30% dry energy option.

6. My contract energy has already been locked, but it is less than 30% in the period from Mangsir 16-Jestha 15. Can I amend the energy table to increase the dry season energy to minimum 30% by increasing the Q factor, for example, from Q40 to Q45 because I have not yet signed the PPA?

Yes, you are allowed to change the energy table if you have not signed the PPA.

7. My contract energy has already been locked for ROR project, but I like to build my project as PROR. As such, is it allowed to make modification in the energy table?

Yes, you are allowed to change the energy table if you have not signed the PPA.

8. What is the tariff for the energy from ROR projects above 100 MW?

It is negotiated between the developer and NEA with the upper ceiling as the posted rate for ROR projects up to 100 MW.

9. What may the basis of negotiation for power purchase rates?

Return on Equity (ROE) is considered as a basis for it. If a project has more than 17% ROE as per the financial analysis, the rate is decreased in such a way that ROE is maintained at 17%.

The general notion of NEA in this regard is that the larger the size of the project, the more scale of economy may be achieved.

10. Does the ROE need to be approved by the offtaker once the project is completed or commissioned?

Yes, it is compulsory. The developer should present to NEA audited financial details including debt-equity ratio after the completion of the project for obtaining the approval of ROE.

11. What happens if my ROE is found to be higher than 17% after project commissioning?

The power purchase rate will be lowered accordingly so that ROE is ensured to be 17% which is the highest limit.

12. If I sign the PPA with 30% dry energy commitment and cannot fulfill it, will I be penalized?

Yes, of course. The amount to be adjusted in the bill payment of the next fiscal year in such cases will be as per the following example:

Suppose, annual contract energy (x) = 100 GWh

Minimum dry season energy to be supplied by the developer = $0.3x = 30$ GWh

Suppose, the energy actually supplied by the developer in dry months in a year (y) = 29 GWh

Estimated total annual energy (z) considering 'y' as 30% = $y/0.3 = 96.67$ GWh

Amount to be adjusted as compensation = (Total annual energy supplied – Estimated Total annual energy) * purchase rate of the wet season energy applicable for the fiscal year

13. Should I pay the compensation as stated above if I have already paid the penalty for not meeting the availability declaration in a year?

No, the compensation amount shall be compared with the total penalty for not meeting the availability declaration in a fiscal year and the higher one shall be applicable. If you have already paid more amount than the compensation amount for not meeting 30% energy criteria, your payment in the next fiscal year shall not be adjusted on account of this.