

			Regulations, 2012
Debt investment	%	70%	Assumption
O&M expenses	%	2%	Typical
Escalation in O&M expenses	%	5.72%	As per CERC (Terms and conditions for tariff determination from Renewable Energy Sources) Regulations, 2012
Module output degradation rate per year	%	0.5%	Typical; May vary for different manufacturers
Interest on loan term	%	12.3%	In CERC (Terms and conditions for tariff determination from Renewable Energy Sources) Regulations, 2012, an interest rate of 12.3% is assumed
Loan tenure	yrs	12	As per CERC (Terms and conditions for tariff determination from Renewable Energy Sources) Regulations, 2012
Moratorium	yrs	0-0.5	0.5 years → As per CERC (Terms and conditions for tariff determination from Renewable Energy Sources) Regulations, 2012
Insurance charges on cost	%	0.1%	Assumption
Book depreciation rate limit	%	90%	Of book value
Depreciation as per IT Act – WDV	%	15%	As per Income Tax Act, 1961
Accelerated Depreciation rate – WDV	%	80%	As per Income Tax Act, 1961 for Income Tax benefit
Income Tax (regular)	%	33.99%	
Minimum Alternate Tax (MAT)	%	20.01%	
Tax Holiday	yrs	10	Acc. to Section 80-IA of Income Tax Act, 1961
Discount rate	%	10.81	In the CERC (Terms and conditions for tariff determination from Renewable Energy Sources) Regulations, 2012, the discount rate equivalent to Post-Tax Weighted Average Cost of Capital is used for the purpose of levelized tariff determination

Major lifecycle costs in a grid-connected rooftop solar PV project generally comprise the following:

1. Initial Capital Cost

- a. PV modules
- b. Inverter
- c. Mounting structure
- d. Other BOS (Junction box, cables, meters, etc.)

In large-sized projects, there might be a need for purchase of a transformer as well, which can add to the cost.

- e. Site assessment and development cost

For small-medium sized projects, site assessment and development costs are not significant, since the PV system only needs to be procured, placed and fixed at the selected positions as per design. However, for large-sized projects, sometimes site