



Chhattisgarh State Electricity Regulatory Commission
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Suo-Motu Petition No. 10 of 2016(M)

In the Matter of non-compliance of Renewable Purchase Obligation (RPO) by the respondents for the FY 2014-15.

- 1. Chhattisgarh State Power Distribution Co. Ltd.**
- 2. Jindal Steel & Power Limited**
- 3. Chhattisgarh State Renewable Energy Development Agency**
- 4. Indian Wind Power Association**

... **Respondents**

PRESENT : Narayan Singh, Chairman
Arun Kumar Sharma, Member

APPEARANCE : Shri Dherendra Nath Nande, Advocate for respondent no. 1, Shri N.K. Chandiramani for respondent no. 2, Shri Apurv Goyal, Advocate for respondent no. 3 and Shri Ranjeet Singh, Sr. Manager for respondent no. 4. Indian Wind Power Association (Northern Region Council)

**Order
(Passed on 1st March, 2018)**

- 1.** This petition was initiated suo motu against the respondent distribution Licensees, namely CSPDCL, JSPL-D and BSP-TEED, in the matter of non-compliance of Renewable Purchase Obligation (RPO) by them for the Financial Year 2014-15. The nodal agency CREDA was also impleaded as respondent.
- 2.** The distribution licensees namely CSPDCL, JSPL-D and BSP-TEED completed their arguments on the matter on 21.07.2016 when the case was closed for orders.
- 3.** After completion of the arguments of the respondents, an association of wind power generators, known as the Indian Wind Power Association (Northern Region Council) filed an application for their impleadment as a party. The Association remitted appropriate fee for the application. After hearing the counsel of the association, the Commission impleaded the association as respondent no. 4 and called other respondents for hearing on the submissions made by the new respondent no.4.

4. While the case was pending for orders, Member of the Commission retired. Therefore, it was felt necessary that the case be heard afresh pursuant to joining of new Member. Accordingly, all the parties were again heard on 21.07.2017.
5. CSPDCL submitted that they made all legitimate efforts to fulfill their RPO and the deficit RPO of FY 2014-15 may be permitted to be carried over to the next control period or be waived off.

As submitted, CSPDCL has procured solar power to the tune of 0.14% against target of 0.75% and non solar Power (Biomass and other RE like hydro) to the tune of 3.28% against target of 6.0%.

CSPDCL submitted that the reason for non-compliance was not attributable to them. The biomass based generators with whom they had contracted power had supplied power at less than 80% PLF and small hydro power projects with whom they had contracted power had not installed their project resulting in delay in commissioning. Due to this, they are in shortfall of RPO. Regarding solar RPO, they have contracted power and endeavoring to fulfill solar RPO.

6. M/s Jindal Steel & Power Limited, in its submission, requested to allow JSPL-D extension of time till March 2017 for purchasing the RECs to meet its RPO. Further, vide letter dated 18.04.2017 they intimated that Non-Solar RPO has been complied. JSPL-D pleaded that they are not able to procure solar RECs as solar REC trading is suspended.
7. M/s BSP TEED has complied the RPO target as specified in the regulations. BSP TEED procured solar power to the tune of 0.04% against target of 0.07%. They have also procured co-generation Power to the extent of 33.29% of their consumption. Relevant Regulation 3 (II) of the RPO-REC Regulation 2013 is reproduced below;

“Obligated entities consuming power in any year to the extent of total RPO specified under Regulation 4 from their own fossil fuel based co-generation power plant shall be exempted from the RPO. In case of consumption of obligated entities from such cogeneration power plant is less than the total RPO specified under Regulation 4.3, such obligated entities shall be required to fulfill the RPO.”

In view of the above, BSP-TEED has fulfilled its RPO.

8. M/s Indian Wind Power Association (IWPA) Northern Region Council requested the Commission to ensure strict compliance of the Renewable Purchase Obligation (RPO) imposed vide the RPO regulations upon the obligated entities in the State of Chhattisgarh and in case of failure of such obligated entities to fulfill their RPO, action has to be taken under Regulation 9 of the RPO Regulations.
9. The summary of Renewable Purchase Obligation compliance report as submitted by distribution licensees for the financial year 2014-15 is as below :-

| DISCOM | Consumption (MU) | Solar | | | Non-Solar | | |
|------------|------------------|--------------------------|---------------------|----------------|----------------------|---------------------|----------------|
| | | Obligations (MU) @ 0.75% | Power procured (MU) | Shortfall (MU) | Obligation (MU) @ 6% | Power Procured (MU) | Shortfall (MU) |
| CSPDCL | 21964 | 164.28 | 29.677 | 134.61 | 1317.84 | 717.81 | 600.03 |
| JSPL-D | 746.27 | 5.6 | 0 | 5.6 | 44.77 | 44.78 | 0 |
| BSP (TEED) | 199.65 | 1.5 | 0.07539 | 1.4219 | 11.97 | 66.47 | 0 |

We have gone through the submissions and arguments of all the respondents in this petition. It is clear that there is a shortfall in RPO compliance by CSPDCL and JSPL-D. Based on facts and circumstances brought before us, it is felt that an additional time period be provided to CSPDCL and JSPL-D for the fulfillment of their RPO for the year 2014-15. Accordingly CSPDCL and JSPL-D is directed to procure RECs to the extent of fulfillment of RPO for the year 2014-15 by 31st March 2019. Expenses incurred in fulfilling this shall be allowed suitably. If it fails to fulfill the same within the stipulated time period, the Commission will be forced to take action as per provisions of the Electricity Act 2003.

CREDA is directed to seek compliance report of this Order.

We order accordingly.

**Sd/-
(ARUN KUMAR SHARMA)
MEMBER**

**Sd/-
(NARAYAN SINGH)
CHAIRMAN**