



Chhattisgarh State Electricity Regulatory Commission
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Petition No. 16 of 2020 (M)

In the Matter of:

"Miscellaneous Petition under section 142 read with section 86(1)(k) of the Electricity Act, 2003 for non-compliance of CSERC (Renewable Purchase Obligation and REC Framework Implementation) Regulations, 2016."

Chhattisgarh State Renewable Energy
Development Agency (CREDA)

... Petitioner

versus

M/s Hira Ferro Alloys Ltd., Raipur

... Respondent

PRESENT

: **D S Misra, Chairman**
:
: **Arun Kumar Sharma, Member**
:
: **Vinod Deshmukh, Judicial Member**

ORDER

(March 24, 2021)

The petitioner, Chhattisgarh State Renewable Energy Development Agency (CREDA or petitioner hereinafter) is a State Nodal Agency for development and promotion of renewable energy and also a State Agency for monitoring of RPO compliance as per the provisions in CSERC (Renewable Purchase Obligation and REC Framework Implementation) Regulations, 2016 (CSERC RPO-REC Regulations 2016).

Respondent M/s Hira Ferro Alloys Ltd. (M/s HFAL hereinafter) is consuming power from its captive generating plant (CGP) and is an obligated entity as per provisions in CSERC RPO-REC Regulations 2016.

2. Facts of the case in brief:

CSERC RPO-REC Regulations 2016 specify RPO trajectory (solar as well as non-solar) for obligated entities for five years starting from FY 2016-17. As per the report submitted by the Chief Electrical Inspector Office, respondent has consumed energy from its CGP in the year 2018-19. As per the petitioner, the respondent has failed to comply RPO for the year 2018-19. Hence, this petition has been filed under Section 142 and Section 86(1)(k) of the Act and provisions specified in CSERC RPO-REC Regulations 2016 seeking imposition of penalty.

3. Heard the parties. Respondent's contention is that its plant should be declared as cogeneration plant on the ground that high temperature waste flue gases from the plant, which was otherwise being released in the atmosphere, is being used for pre-heating boiler feed water for power generation from the year 2017-18. This system of using waste heat is already considered as Cogeneration and as per the RPO-REC Regulations, cogeneration plants are exempted from RPO. Further, since power generation from the cogeneration plant is more than RPO for the year under consideration, it should be declared as non-obligated entity for the year as per the regulations. The petitioner has submitted that this process may be examined by the Commission and, if found in order, exempt the respondent from RPO.

4. Commission's View

The Commission has already examined the contentions of the respondent in detail and issued a reasoned order dated 23.03.2021 in P

No. 40 of 2019 in the matter related to non-compliance of RPO for the year 2016-17 and 2017-18 by same respondent i.e., M/s Hira Perro Alloys Ltd. Relevant para of the order is reproduced below:(emphasis added)

"In the instant case, there are two basic source of energy in the entire process i.e. electricity in Arc furnaces and fossil fuel (i.e., coal) in AFBC boiler for power generation. Instant case neither qualifies as topping cycle of cogeneration nor bottoming cycle of cogeneration. In this case, a very small portion of waste heat from the electrical arc furnaces is utilized to pre-heat the boiler feed water before de-aerator. Therefore, this process does not qualify as cogeneration and hence, no exemption in compliance of RPO as per provisions in RPO-REC Regulations 2016 is allowed.

As regards submission of respondent regarding Ministry of Power order and its subsequent clarifications dated 01.02.2019 and 01.10.2019 related to pegging the RPO of the CGP's commissioned before 01.04.2016 to the RPO level for the year 2015-16, the Commission has already notified amendments in the regulations in this regard."

In light of the above, RPO shall be applicable for FY 2018-19. Therefore, it is directed to fulfil RPO for the year 2018-19 within six months from issuance of this order.

The petition is disposed accordingly.

Sd/-
(Vinod Deshmukh)
Member-Judicial

Sd/-
(Arun Kumar Sharma)
Member

Sd/-
(D S Misra)
Chairman