Chhattisgarh State Electricity Regulatory Commission
Irrigation Colony, Shanti Nagar, Raipur

Dated July 30, 2025

Draft Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC Framework Implementation) (Second Amendment) Regulations, 2025

No. D-23/CSERC/2025 – Section 86(1)(e) of the Electricity Act, 2003 (the Act) mandates the State Commission to promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

Tariff Policy 2016 further entrust SERCs to fix a minimum percentage for purchase of energy from such sources taking into account availability of such sources in the region and its impact on retail tariffs.

Keeping the above in view, the Chhattisgarh State Electricity Regulatory Commission, notified Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2021, and its subsequent First Amendments in 2022 in line with the order dated 22.07.2022 and its corrigendum dated 19.09.2022 issued by Ministry of Power, Govt. of India (herein after, the Principal Regulations).

Further, as India is aiming to have Net Zero Emission by 2070 and in the COP-26 Summit at Glasgow, India has upped its target of electricity from non-fossil fuel based sources to 500 GW by 2030 and thus, about 50% of total energy consumed by 2030 is expected to come from renewable sources. As India prepares for the energy transition from fossil fuel to non-fossil fuel based energy systems and aims to achieve the reduction in GHG/CO2 emission by 1 billion tones by 2030, India will need to promote installation of 500 GW of non-fossil fuel capacity, out of which 450 MW will come from renewable energy. Keeping these commitments in mind further amendments in these regulations are necessary to address the following circulars issued by Ministry of Power and judgement passed by Hon'ble ATE.

1. The Ministry of Power, Govt. of India vide notification dated 20.10.2023 has specified new renewable energy trajectory for designated consumer w.e.f. 01.04.2024 as mandated in Energy

Conservation Act, 2001 and its subsequent amendments. While issuing the new trajectory, the total renewable purchase obligation has been kept same as notified earlier, however, reallocated the percentage for each category of renewable energy sources and accommodate new category of 'distributed renewable energy'. Also, this new notification has allowed higher flexibility to designated consumer to meet the category wise renewable purchase obligation.

2. Further, the guidelines dated 16.04.2025 issued by Ministry of Power regarding capping of renewable purchase obligation for captive consumers for the plants commissioned before 2015-16, has been withdrawn.

3. Recent judgement dated 20.02.2024 issued by Hon'ble ATE in the matter of M/s Tata Steel Ltd. Vs. OERC & others in **APL No. 337 OF 2023** is reproduced below;

"IX.CONCLUSION:

We summarize our conclusions as under:-

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XXXXXXX

(xi) *In the two-member bench judgement of this Tribunal in* ***Century Rayon Ltd vs Maharashtra Electricity Regulatory Commission*** *(Order in Appeal No. 57 of 2009 dated 26.04.2010), and the judgements which followed it, it has been held that entities, owning and operating a co-generation based CPP irrespective of the fuel used, cannot be fastened with renewable purchase obligations as long as the electricity generated from its co-generation plant is in excess of the presumptive RPO target (qua its captive consumption) for the relevant years.*

(xii) *These judgements run contrary to and fall foul of the Full Bench judgement (of three members) of this Tribunal in* ***Lloyds Metal & Energy Ltd.*** *Consequently, it is the judgement of the Full Bench of this Tribunal in* ***Lloyds Metal & Energy Ltd.*** *which is binding, and not the law declared in* ***Century Rayon Ltd (****Order in Appeal No. 57 of 2009 dated 26.04.2010), and the judgements of the two member benches of this Tribunal which followed it.*

(xiii) *RPO obligations can, therefore, be fastened on captive power consumers. Such RPO obligations, to procure and consume power from renewable sources of energy, can neither be adjusted nor setoff*

against the quantum of power consumed from co-generation plants based on fossil fuel."

The judgment of Hon'ble APTEL on fastening RPO to captive consumers of co-generation plants is very clear. No exemption from RPO to the plants consuming power from the Co-Generation plants has been mandated. Therefore, it would be proper to impose RPO on entities consuming power from fossil fuel based co-generation plant.

In view of all the above and by incorporating the various orders of Ministry of Power and judgements of Hon'ble ATE, the Chhattisgarh State Electricity Regulatory Commission, in exercise of the power vested to the Commission under section 86(1)(e) of the Act read with section 181 of the Act, prepared draft of Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) (Second Amendment) Regulations, 2025.

As the Principal Regulations have already provisions related to adoption of RPO trajectory as specified by the MoP, therefore, these regulations are being made applicable retrospectively i.e., from April 01, 2025.

However, since RPO targets for open access consumers, co-located and non co-located captive user(s) consuming power from fossil fuel based co-generation are being fastened in these regulations and around four months of FY 2025-26 have already been passed, obligation for renewable purchase under these regulations is being proposed at the level of 50% in each category for FY 2025-26.

CHHATTISGARH STATE ELECTRICITY REGULATORY COMMISSION (RENEWABLE PURCHASE OBLIGATION AND REC FRAMEWORK IMPLEMENTATION) (SECOND AMENDMENT) REGULATIONS, 2025

1. Short Title, Extent and Commencement

1.1 These Regulations shall be called the Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) (Second Amendment) Regulations, 2025.

1.2 These Regulations shall extend to the whole of the State of Chhattisgarh.

1.3 These Regulations shall come into force from April 01, 2025.

2. New Definition shall be added after regulation 2.1 (VII) of the Principal Regulation:

VII(a).**'Distributed RPO'** means Renewable Purchase Obligation that shall be met from the energy generated from Renewable Energy projects that are less than 10 MW in size and shall include installations under all configurations (Net Metering, Group Net Metering, Virtual Net Metering, Behind the Meter Installations and any other configuration defined by the Commission);"

3. Deletion of second para of regulation 3 (II)

Second para of regulation 3(II) "*Obligated entities…… extent of shortfall"* shall be stand deleted.

4. Amendment in first proviso of regulation 3 (II)

The words "and sub clause-(III)" in first proviso of regulation 3(II) shall be stand deleted.

5. Modification of RPO Trajectory in Table 1 in sub regulation 4.3 of Regulation 4

Table 1 in regulation 4.3 and its associated paras (a), (b), (c), (d) and (e), as previously substituted vide first amendments, shall further be substituted, namely: -

Table 1: Minimum quantum of electricity in each category to be procured by Obligated Entity as percentage of total consumption

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

RPO targets for open access consumers, co-located and non co-located captive user(s) consuming power from fossil fuel based co-generation plants for FY 2025-26 shall be as follows;

Year	Wind RPO	HPO	Distributed RPO	Other RPO	Total RPO
2025-26	0.725%	0.61%	1.05%	14.12%	16.505%

(a) The wind renewable purchase obligation shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March, 2024.

(b) The hydro renewable purchase obligation shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31st March, 2024.

Provided that the hydro renewable purchase obligation may also be met out of the free power being provided to the State/DISCOM from the Hydro Power Projects commissioned after the 31st March, 2024.

Provided further that the hydro renewable purchase obligation may also be met from Hydro Power Projects located outside India as approved by the Central Government on a case to-case basis.

(c) The distributed renewable purchase obligation shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government:

Provided further that in case the obligated entities is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).

(d) The other renewable energy component may be met by energy produced from any renewable energy power project other than specified in Note (a), (b) and (c) and shall comprise energy from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], including free power, commissioned before the 1st April, 2024.

(e) Any shortfall in achievement of stipulated wind renewable purchase obligation in a particular year may be met with hydro renewable

energy which is in excess of that energy component for that year and vice versa.

(f) The balance excess energy consumption under wind purchase obligation or hydro renewable purchase obligation in that year, may be considered as part of other renewable purchase obligation.

(g) Any excess energy consumption under Other renewable purchase obligation in a particular year, may be utilised to meet the shortfall in achievement of stipulated Wind renewable purchase obligation or Hydro renewable purchase obligation.

(h) The following percentage of total energy consumed shall be solar/wind energy along with/through storage.

FY	Storage (on Energy basis)
2023-24	1.0%
2024-25	1.5%
2025-26	2.0%
2026-27	2.5%
2027-28	3.0%
2028-29	3.5%
2029-30	4.0%

The Energy Storage Obligation in table above shall be calculated in energy terms as a percentage of total consumption of electricity and shall be treated as fulfilled only when at least 85% of the total energy stored in the Energy Storage System (ESS), on an annual basis, is procured from renewable energy sources.

The Energy Storage Obligation to the extent of energy stored from RE sources shall be considered as a part of fulfilment of the "Total RPO".

6. Deletion of Fourth, Fifth and Sixth Proviso of sub regulation 4.3 of Regulation 4 of Principal Regulations.

Fourth, Fifth and Sixth Proviso of sub regulation 4.3 of Regulation 4 of Principal Regulations shall be deleted.

7. Amendment in sub-regulation 4.9 of regulation 4

4.9 Non-compliance of renewable purchase obligation under clause 4.3 shall be treated as a violation of these regulations and penalty shall be imposed as such rate specified under sub section (3) of section 26 of the Energy Conservation Act, 2001 and its subsequent amendments.

8. Amendment in sub-regulation 5.1 of regulation 5

Name of the regulations "Central Electricity Regulatory Commission's (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010" appearing in para 5.1 of the principal regulations shall be replaced by "Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022."

9. Amendment in sub-regulation 5.2 of regulation 5

Name of the regulations "Central Electricity Regulatory Commission's (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010" appearing in para 5.2 of the principal regulations shall be replaced by "Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022."

10. Amendment in sub regulation 8.1 of regulation 8

First proviso of sub regulation 8.1 of regulation 8 shall be stand deleted.

By Order of the Commission

Secretary