

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION GANDHINAGAR**

**Suo Motu Petition No. 1872 /2020**

**In the Matter of:**

Monitoring of Compliance of Renewable Purchase Obligation by distribution licensees for the FY 2017-18 under the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 and Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (Second Amendment) Regulations, 2018.

Respondent No. 1:	Gujarat Urja Vikas Nigam Limited
Respondent No. 2:	Torrent Power Limited (Dahej)
Respondent No. 3:	Deendayal Port Trust
Respondent No. 4:	GIFT Power Company Limited
Respondent No. 5:	Gujarat Energy Development Agency (GEDA)

**Facts of the Case:**

1. The Commission has notified the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010, the GERC (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 and the GERC (Procurement of

Energy from Renewable Sources) (Second Amendment) Regulations, 2018 which, inter-alia, stipulate the Renewable Purchase Obligation (RPO) to be fulfilled by the Distribution Licensees in the State of Gujarat during the period from FY 2010-11 to FY 2021-22.

2. Regulation 4 of the Principal Regulations viz. the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and the GERC (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 and the GERC (Procurement of Energy from Renewable Sources) (Second Amendment) Regulations, 2018, reads as under:

**GERC (Procurement of Energy from Renewable Sources) Regulations, 2010**

***“4. Quantum of Renewable Purchase Obligation (RPO)***

*4.1 Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year. Similarly, Captive and Open Access user(s) / consumer(s) shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of his/her total consumption during a year.*

*The defined minimum percentages are given below:*

Table 1

Year (1)	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)			
	Total (2)	Wind (3)	Solar (4)	Biomass, bagasse and others (5)
2010-11	5%	4.5%	0.25%	0.25%
2011-12	6%	5.0%	0.50%	0.50%
2012-13	7%	5.5%	1.00%	0.50%

*If the above mentioned minimum quantum of power purchase from solar and other renewable energy sources is not available in a particular year, then in such cases, additional wind or other energy, over and above that shown in column 3 and 5, shall be utilized for fulfilment of the RPO in accordance with column 2.*

*Provided further that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by the obligated entity concerned.*

*Provided also that the power purchases under the power purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.”*

**GERC (Procurement of Energy from Renewable Sources) (First Amendment), Regulations, 2014**

**4) Substitution of Table 1 of Regulation 4.1**

*The table 1 provided in Principal Regulation 4.1 shall be substituted by following table 1:*

	<i>Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)</i>			
<i>Year</i>	<i>TOTAL</i>	<i>Wind</i>	<i>Solar</i>	<i>Others (Biomass, Bagasse, MSW, etc.)</i>
<i>2010-11</i>	<i>5.0</i>	<i>4.5</i>	<i>0.25</i>	<i>0.25</i>
<i>2011-12</i>	<i>6.0</i>	<i>5.0</i>	<i>0.5</i>	<i>0.5</i>
<i>2012-13</i>	<i>7.0</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>
<i>2013-14</i>	<i>7.0</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>
<i>2014-15</i>	<i>8.0</i>	<i>6.25</i>	<i>1.25</i>	<i>0.5</i>
<i>2015-16</i>	<i>9.0</i>	<i>7.0</i>	<i>1.5</i>	<i>0.5</i>
<i>2016-17</i>	<i>10.0</i>	<i>7.75</i>	<i>1.75</i>	<i>0.5</i>

**GERC (Procurement of Energy from Renewable Sources) (Second Amendment), Regulations, 2018**

**3) Substitution of Table I of Regulation 4.1:**

*Table I provided in the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 is substituted by following Table - I and II:*

TABLE - I

	<i>Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)</i>			
<i>Year</i>	<i>Wind</i>	<i>Solar</i>	<i>Others (Biomass, Bagasse, MSW, etc.)</i>	<i>Total</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>2010-11</i>	<i>4.5</i>	<i>0.25</i>	<i>0.25</i>	<i>5.0</i>
<i>2011-12</i>	<i>5.0</i>	<i>0.5</i>	<i>0.5</i>	<i>6.0</i>
<i>2012-13</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>	<i>7.0</i>
<i>2013-14</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>	<i>7.0</i>
<i>2014-15</i>	<i>6.25</i>	<i>1.25</i>	<i>0.5</i>	<i>8.0</i>
<i>2015-16</i>	<i>7.0</i>	<i>1.5</i>	<i>0.5</i>	<i>9.0</i>
<i>2016-17</i>	<i>7.75</i>	<i>1.75</i>	<i>0.5</i>	<i>10.0</i>

TABLE - II

	<i>Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)</i>			
<i>Year</i>	<i>Wind</i>	<i>Solar</i>	<i>Others (Biomass, Bagasse, MSW, etc.)</i>	<i>Total</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>
<i>2017-18</i>	<i>7.75</i>	<i>1.75</i>	<i>0.50</i>	<i>10.00</i>
<i>2018-19</i>	<i>7.95</i>	<i>4.25</i>	<i>0.50</i>	<i>12.70</i>
<i>2019-20</i>	<i>8.05</i>	<i>5.50</i>	<i>0.75</i>	<i>14.30</i>
<i>2020-21</i>	<i>8.15</i>	<i>6.75</i>	<i>0.75</i>	<i>15.65</i>
<i>2021-22</i>	<i>8.25</i>	<i>8.00</i>	<i>0.75</i>	<i>17.00</i>

### **3) Substitution of para 2 of the Principal Regulation 4.1:**

*If the above mentioned minimum quantum of power purchase either from Solar or Wind or Others (including Biomass, Bagasse, Hydro and MSW) is not available in a particular year of FY 2017-18 to 2021-22, then in such cases,*

*additional renewable energy available either from Solar or Wind or Others shall be utilised for fulfilment of RPO in accordance with Column 5.*

As provided in the above table the RPO for 2017-18 has been fixed at 10% consisting of 7.75% from Wind, 1.75% from Solar and 0.50% from Other Renewable Sources.

3. The Commission in exercise of the powers conferred under Sections 61, 86(1)(e) and 181 of the Electricity Act, 2003 read with sub-regulation (iv) of Regulation 1 and Regulation 8 of the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 (Notification No.3 of 2010) (Principal Regulations) and Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 (Notification No. 2 of 2014), and all other powers enabling it in this behalf has notified Notification No. 2 of 2015 dated 1<sup>st</sup> July, 2015, whereby 1<sup>st</sup> July, 2015 is notified as the date on which the sub-regulation (iv) of Regulation 1 and Regulation 8 of Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 (Notification No.3 of 2010) shall come into force and the Renewable Purchase Obligation shall become applicable to Captive and Open Access User(s)/Consumer(s). Subsequently, the

Commission notified the GERC (Procurement of Energy from Renewable Sources) (Second Amendment) Regulations, 2018 stipulating the trajectory of Renewable Purchase Obligation (RPO) the period from FY 2017-18 to FY 2021-22.

4. Regulation 5 of the Principal Regulations provides an alternate mechanism for fulfilment of RPO which reads as under:

***“5. Certificates under the Regulations of the Central Commission***

*5.1 Subject to the terms and conditions contained in these Regulations, the Certificates issued under the Central Electricity Regulatory Commission’s (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be the valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities to purchase electricity from renewable energy sources.....”*

5. Further, the Commission has notified GEDA (Respondent No. 5) as the State Agency to monitor the compliance of the RPO vide Notification No. 3 of 2010. Thus, it is the duty of GEDA to monitor the fulfilment of the RPO by the obligated entities and in case of non-fulfilment of RPO by the obligated entity (ies), should inform the same to the Commission, to enable the Commission to take

appropriate decision regarding non-compliance of RPO by the entity concerned as provided in the Regulations. Further, apart from the Distribution Licensees, Captive and Open Access consumers within the State have also been identified as Obligated Entities who should comply with RPO targets stipulated by the Commission in para 2 above.

6. We note that Torrent Power Limited – (Ahmedabad/Gandhinagar & Surat) has filed Petition No. 1754 of 2018 and MPSEZ Utilities Pvt. Limited has filed Petition No. 1785 of 2019 regarding compliance of Renewable Purchase Obligations for FY 2017-18. Further, M/s Aspen Infrastructure Limited and Jubilant Infrastructure Limited have respectively filed Petitions No. 1723 of 2018 and 1742 of 2018 before the Commission regarding Renewable Purchase Obligations.
7. The Commission in its Daily Order dated 09.06.2020 in Petition No. 1754 of 2018, has decided as under:

“.....

*4.1. We note that the Hon’ble APTEL in its judgement dated 25.04.2014 in Appeal No. 24 of 2013 and IA No. 39 of 2013 directed the State Commission that after completion of the financial year, the State Commission has to review the actual performance in respect of RPO and pass necessary directions as per the Regulations either suo-motu or on a petition filed by*



*an obligated entity. Such review should be subjected to public notice to invite suggestions and objections from all the stakeholders. Thus, for annual review of RPO or otherwise by the State Commission either suo-motu or on application from an obligated entity, the suggestions and objections of the public are required to be invited.*

*4.2. According to the Hon'ble APTEL's directions, it is necessary to issue a public notice and invite suggestions/objections from all the stakeholders in the matter pertaining to compliance of RPO by the obligated entities. As the present Petition is filed to verify and decide the compliance of RPO by the Petitioner and to decide adjustment of surplus Solar energy against Non-Solar energy for fulfilment of RPO of FY 2017-18, we decide and direct the Petitioner to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State/National level stating that they have filed Petition No. 1754 of 2018 before the Commission for compliance of RPO target for FY 2017-18 under the provisions of the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its amendment Regulations, 2014 and Regulation, 2018. The Petitioner is also directed to upload the present petition with all the documents on its website and invite comments and suggestions from the stakeholders on the petition on affidavit within 30 days from the date of issuance of public notice. The Petitioner shall state in the public notice that the stakeholders/objectors are required to file their objections/suggestions in the present petition to the Secretary of the Commission in five copies alongwith affidavit in support of their*

*submissions. The staff of the Commission is also directed to upload the petition along with all relevant documents on the website of the Commission after compliance affidavit of issuing public notice and uploading of petition is filed by the Petitioner along with copy of public notices issued by the Petitioner is provided to the Commission and invite comments/suggestions from the stakeholders.*

*4.3. We note that on completion of FY 2017-18, the Commission vide its letter dated 05.07.2018 informed all the obligated distribution licensees that since FY 2017-18 is already over, it is necessary for the Commission to verify the details and decide the RPO compliance for FY 2017-18, for which Petition needs be filed with the necessary details/documents. We note that apart from the present Petition filed by Torrent Power Limited for its Ahmedabad, Gandhinagar & Surat license area, MPSEZ Utilities Pvt. Limited has filed Petition No. 1785 of 2019 for the RPO compliance for FY 2017-18. Further, M/s Aspen Infrastructure Limited and Jubilant Infrastructure Limited have filed Petitions No. 1723 of 2018 and 1742 of 2018 respectively before the Commission regarding Renewable Purchase Obligations. We also note that the other distribution licensees viz. GUVNL on behalf of its subsidiary distribution companies PGVCL, UGVCL, MGVCL & DGVCL, Torrent Power Limited for its Dahej license area, Deendayal Port Trust and GIFT Power Company Limited have not filed any Petition before the Commission for compliance of their respective RPO of FY 2017-18. We, therefore, decide to initiate suo-motu proceedings for compliance of RPO of these obligated distribution licensees for FY 2017-18. The staff of the*

*Commission is also directed to initiate necessary actions in this regard and to follow the procedure for inviting comments and suggestions from the stakeholders as stated in para 4.2 above by publishing a public notice and hosting the suo-motu Petition on website of the Commission.*

.....

8. Moreover, the Commission in its Daily Order dated 09.06.2020 in Petition No. 1785 of 2019 also decided to initiate suo motu proceedings and gave similar directives to the staff of the Commission.
9. We note that above Daily Orders recorded that following Distribution Licensees have not filed any Petition for compliance of RPO for the FY 2017-18 and the Commission decided to initiate Suo Motu proceedings for verification of compliance of RPO by these licensees:
  - (1). Gujarat Urja Vikas Nigam Limited
  - (2). Torrent Power Limited
  - (3). Deendayal Port Trust
  - (4). GIFT Power Company Limited
10. Considering the above facts, and the Commission's decision to initiate Suo Motu proceedings in order to verify the compliance of the RPO by the Distribution

Licensees of the State and in case of any default by the distribution licensee, to decide the appropriate actions that may be required to be initiated against the defaulting Distribution Licensee concerned, in accordance with the provisions of the Electricity Act, 2003 read with the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with amendments made thereto, the present Suo Motu proceedings are initiated by the Commission for the following licensees:

- (i). Gujarat Urja Vikas Nigam Limited
- (ii). Torrent Power Limited
- (iii). Deendayal Port Trust
- (iv). GIFT Power Company Limited

11. GEDA is notified as the State Nodal Agency for monitoring of the RPO compliance. Hence, GEDA is also made a party to the present Suo Motu proceedings and to assist the Commission in hearings. GEDA vide letter dated 28.05.2018 has submitted the status of compliance of RPO for the FY 2017-18, based on the data furnished by different distribution licensees, which is given at **Annexure – I**.
12. We, therefore, direct the Respondent Distribution Licensees to file their submissions, alongwith necessary supporting documents, if any, before the

Commission and submit the reasons for partial/non-compliance of RPO, if any, as well as actions taken for fulfilment of their obligations alongwith an affidavit in support thereof in five copies.

13. GEDA is also directed to make its submissions regarding compliance of RPO by different licensees for FY 2017-18 by submitting relevant data alongwith an affidavit in support thereof in five copies. GEDA may also submit any other facts which it may consider appropriate for consideration of the Commission in the aforesaid submission.
14. The above licensees and GEDA are directed to file their above submissions alongwith the necessary supporting documents before the Commission on or before 31.07.2020 to enable the Commission to decide the issue in the present petition.
15. The Staff of the Commission is also directed to host the present Suo Motu Petition on the website of the Commission and issue public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State/National level to invite comments/suggestions from the stakeholders. Any person who desires to file his submissions on the subject matter may file it alongwith an affidavit in support thereof in five copies to the Secretary, Gujarat

Electricity Regulatory Commission, 6<sup>th</sup> floor, GIFT Tower ONE, GIFT CITY,  
Gandhinagar on or before 31.07.2020.

16. The Commission will pass an appropriate order in the matter after hearing all the respondents and concerned persons. The matter will be heard by the Commission on 07.08.2020 at 11:30 A.M.

Date: 22/06/2020.  
Place: Gandhinagar.

Sd/-  
Secretary  
Gujarat Electricity Regulatory Commission  
Gandhinagar, Gujarat

## ANNEXURE – I

<b>RPO Status Report of Obligated Entities for FY 2017-18</b>							
<b>(1) GUVNL – Estimated Consumption of Units during 2017-18 – 84679 MUs (Provisional)</b>							
	RPO 2017-18 (%)	Required MUs	Purchased MUs	REC's Purchased MUs	Total RE Purchased MUs	Shortfall / Excess in MUs	RPO Achieved (%)
Solar	1.75	1481.88	1551	0	1551	-69.12	1.83
Non- Solar	8.25	6986.02	6433	0	6433	553.02	7.60
Total	10.00	8467.90	7984	0	7984	483.90	9.43
<b>(2) Torrent Power Limited (Ahd + Surat) – Consumption of Units during FY 2017-18 – 11452.15 MUs</b>							
Solar	1.75	200.41	296.96	0	296.96	-96.55	2.59%
Non- Solar	8.25	944.80	736.90	207.15	944.05	0.75	8.24%
Total	10.00	1145.22	1033.86	207.15	1241.01	-95.79	10.84%
<b>(3) Torrent Power Limited (Dahej) – Consumption of Units during FY 2017-18 – 322.51 MUs</b>							
Solar	1.75	5.64	10.38	0	10.38	-4.74	3.22%
Non-Solar	8.25	26.61	28.37	0	28.37	-1.76	8.80%
Total	10.00	32.25	38.75	0	38.75	-6.50	12.02%
<b>(4) MPSEZ Utilities Pvt. Limited – Consumption of Units during FY 2017-18 – 293.93 MUs</b>							
Solar	1.75	5.14	2.02	0.35	2.37	2.77	0.81%
Non-Solar	8.25	24.25	0	24.22	24.22	0.03	8.24%
Total	10.00	29.39	2.02	24.57	26.59	2.80	9.05%
<b>Total Consumption of Units during FY 2017-18 – 96747.59 MUs</b>							
Solar	1.75	1693.08	1860.36	0.35	1860.71	-167.63	1.92%
Non-Solar	8.25	7981.68	7198.27	231.37	7429.64	552.04	7.68%
Total	10.00	9674.76	9058.64	231.72	9290.35	384.41	9.60%