

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2025.

CORAM:

Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member

STATEMENT OF REASONS

1. Background

- 1.1 In exercise of the powers conferred under Section 181 of The Electricity Act, 2003 (36 of 2003), read with Sections 61 and 86 thereof read with the Energy Conservation Act, 2001 and (Amendment) Act, 2007 and (Amendments) Act, 2022 in it and Ministry of Power (MoP) Notification No. 4617 (E) dated 28.10.2023 and all other powers enabling it in this behalf, and after previous publication, the Commission hereby makes the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Energy Sources) Regulations, 2025.
- 1.2 That the Commission notified Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 and subsequently amended the same from time to time.

- 1.3 That the Central Electricity Regulatory Commission ('the Central Commission') on 09.05.2022 notified CERC (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022 (CERC REC Regulations, 2022) repealing the CERC (REC) Regulations, 2010.
- 1.4 That the Ministry of Power, Govt. of India in accordance with the provision of para 6.4 (i) of Tariff Policy, 2016 has notified the 'RPO trajectory' beyond FY 2021-22 till FY 2029-30, on 22.07.2022.
- 1.5 Subsequently, the Ministry of Power (MoP) vide Notification No. S.O. 4617(E) dated 20.10.2023, under Clauses (n) and (x) of Section 14 of the Energy Conservation Act, 2001 (52 of 2001), specified the minimum share of consumption of non-fossil sources (renewable energy) by designated consumers as energy or feedstock and different share of consumption for different types of non-fossil sources for different designated consumers in respect of electricity distribution licensee and other designated consumers who are Open Access consumers or captive users to the extent of consumption of electricity from sources other than distribution licensee as a percentage of their total share of energy consumption.
- 1.6 In light of above developments, the Commission deemed it appropriate to revisit the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010, and subsequent

amendments thereof and frame new Renewable Power Purchase Obligation (RPO) Regulations, 2025 so as to align the same with the provisions under CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 and RPO trajectory notified by the MoP vide Notification dated 20.10.2023.

2. Consultation Process

- 2.1 The Draft Regulations was published on 25.09.2024 and Public Notices in daily newspapers, viz., Gujarat Samachar, Sandesh and Mint (Ahmedabad Edition) were issued by the Commission seeking suggestions/objections from the stakeholders up to 18.10.2024. Further, the Draft Regulations was also uploaded on website of the Commission (www.gercin.org) with public notices inviting comments and suggestions from the stakeholders.
- 2.2 In response to the aforesaid public notices, the Commission received comments/objections/suggestions from various stakeholders. List of the stakeholders who submitted written comments/objections/suggestions is kept at '**Annexure-I**'.
- 2.3 Thereafter, the Commission conducted a public hearing on the Draft Regulations on 25.10.2024. The list of the stakeholders who remained present and made representations during the public hearing is kept at '**Annexure - II**'.

2.4 After detailed analysis and due consideration of the comments/suggestions/objections provided by the stakeholders as detailed in the succeeding paragraphs and incorporating certain modifications for giving seamless and better understanding including correction of typographical error/omission observed in the Draft Regulations, the Commission hereby finalize the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2025.

2.5 It may be noted that all the suggestions given by the stakeholders have been considered and the Commission has attempted to elaborate all the suggestions as well as the Commission's decisions on each suggestion as incorporated in this Statement of Reasons (SoR). Wherever possible, the comments and suggestions or objections have been summarized Clause wise, along with the Commission's analysis and ruling on the same. However, in some cases, due to overlapping of the issues/comments, the clauses have been combined in order to minimize the repetitions.

3. Objections to the Draft Regulations and findings of the Commission thereto:

The Commission hereunder deal with suggestions/objections received on various Regulations of the draft regulations as under:

(I) Regulation 2 – Definitions

Proposed in the draft Regulations

(a) "Act" means the Electricity Act, 2003 (36 of 2003) and The Energy Conservation Act, 2001 read with amendments in it from time to time;

(h) "Designated Consumers" means the consumers who are specified as 'Designated Consumer' in the Schedule under Clause (e) of Section 14 of 'The Energy Conservation Act, 2001' and subsequent amendments in it from time to time.

(i) "Distributed Renewable Energy Component" means the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations notified by the Central Government:

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer 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).

(j) "Green Energy/Renewable Energy" means the electrical energy generated from renewable sources of energy including hydro, pumped Storage Hydro generation, energy storage system and storage (if the storage uses only renewable energy), Municipal Solid Waste-to-Energy based generation, biomass and bagasse based co-generation plants or any other technology as may be notified by the Commission from time to time and shall

also include any mechanism that utilizes renewable energy to replace fossil fuels including production of green hydrogen or green ammonia

(l) Renewable Energy Certificate Mechanism' or "REC mechanism" means the mechanism devised for the development of market for power generated from nonconventional energy sources by issuance of transferable and saleable credit certificates under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 as amended from time to time and under these Regulations as amended from time to time;

(m)"Renewable Power Purchase Obligation" or "RPO" means the Renewable Power Purchase Obligations to be met by the Obligated Entity as per provisions of these RPPO Regulations, 2024;

(o) Obligated Entity" means an entity which is mandated to fulfil Renewable Purchase Obligation in accordance with Regulations 3 of these Regulations

Comments / suggestions from stakeholders

(a)"Act"

(i) Some of the stakeholders (PEG) pointed out that the definition of the 'Act' in the draft Regulations refer to both Act i.e. The Electricity Act and the Energy Conservation Act simultaneously. This may create complexity in implementation as some of the provisions such as designated entity / obligated entities, penal provisions for non-compliance and the objective envisaged are different in both Act. It

is suggested that two Acts (Electricity Act and Energy Conservation Act) shall be defined separately rather than including both in one definition.

(h) Designated Consumers"

(ii) One of the stakeholders (PEG) submitted that under Electricity Act 2003, RPO is applicable on obligated entities (DISCOMs, captive and Open Access consumers above a certain threshold), however, under Energy Conservation Act, RPO is applicable only on designated consumers (DCs) who are DISCOMs and limited Open Access and Captive consumers. Hence, under Electricity Act, a large number of (esp. smaller) OA and captive consumers are not covered. The objector stated that it will create RPO accounting issues where entities falls in both lists.

(i) "Distributed Renewable Energy Component" (2nd Proviso)

(iii) One of the stakeholder BA Prerna submitted that the Commission is requested to provide basis, working and explanation on the 3.5 units multiplying factor so as to appropriately evaluate the benefit/impact on account of the same.

(j) "Green Energy/Renewable Energy

- (iv) One of stakeholders (PEG) pointed out that the definition of Green Energy or Renewable Energy in Draft Regulations does not explicitly mention solar and wind; potentially creating ambiguity.
- (v) Other stakeholder (TPL) submitted that the definition of "green energy" given in the draft Regulations is as per the MOP Green Energy Open Access Rules, but it is suggested to include "wind", "solar", and "hybrid" in the definition of green energy.
- (vi) One of the stakeholder BA Prerna made a reference to the notification no. 19/34/2019-Biomass Power Division dated July 23, 2019 issued by the Ministry of New and Renewable Energy (with subject: "Clarification regarding use of heat produced through Renewable sources as renewable energy") whereby the Ministry has clarified that the electricity or heat produced and used in any form from these sources qualify for being categorized as Renewable Energy. Hence, the Commission is requested to kindly include refuse derived fuel based energy generation, refuse derived fuel / municipal solid waste based steam generation as well as refuse derived fuel co-fired with other application separately mentioned in the Green Energy/Renewable Energy sources and energy produced or steam generated by these renewable energy sources should also be considered towards the compliance of the RPO obligations of the Obligated Entities.

(I) Renewable Energy Certificate Mechanism' or "REC mechanism

(vii) Other stakeholder (TPL) submitted that the term 'Certificate' has been defined in the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulation ,2022. Accordingly, it is suggested to align the definition to that of CERC Regulations as 'Renewable Energy Certificate Mechanism' or "REC mechanism" means the mechanism devised under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 as amended from time to time.

(o) Obligated entity

(viii) One of the stakeholders (Continuum Green Energy Pvt. Limited) Suggested to modify the definition of obligated entities as "Obligated entities mean an entity or designated consumers as mentioned under Section 14 (e) of the Energy Conservation Act 2001 which are mandated to fulfill Renewable Purchase Obligation in accordance with Regulation 3 of these Regulations.

(ix) Some of the stakeholders suggested to modify the Regulations 2 (m) as under:

(m) "Renewable Power Purchase Obligation" or "RPPO" means the Renewable Power Purchase Obligations to be met by the Obligated

Entity as per provisions of these RPPO Regulations, 2024, **which is calculated and the total energy procured from all sources, including RE Sources as per the Regulation 4 of this Regulations.**

Inclusion of New Definition

- (x) GUVNL requested for inclusion of new definitions of "person" and "power exchange" is in line with GERC (Procurement of Energy from Renewable Resources) Regulations, 2010 and Central Electricity Regulatory commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Commission's Analysis and Ruling

- 1) As regard to the suggestion of some of the stakeholders that the two Acts, i.e. Electricity Act, 2003 and Energy Conservation Act, 2001 need to be defined separately in the Regulations, is concerned, the Commission decides to modify the definition of Act as 'Act' means **the 'Electricity Act, 2003' (36 of 2003)** read with amendments in it from time to time. Further, in order to impart more clarity, the Commission decides to refer the 'Energy Conservation Act 2001' separately as 'EC Act 2001' and not to incorporate under the definition part of the Regulations. Accordingly, the Regulation 2 (1) (a) is revised as under:

"Act" means The Electricity Act, 2003 (36 of 2003) read with amendments in it from time to time.

- 2) We note the suggestion of the stakeholder with regard to the definition of Obligated Entity stating that:
- a. Under the Electricity Act 2003, RPO is applicable on obligated entities (DISCOMs, captive and OA consumers above a certain threshold), however, under Energy Conservation Act, RPO is applicable only on designated consumers (DCs) who are DISCOMs and limited OA and Captive consumers. Hence, under EC Act, a large number of (mainly smaller OA and captive) consumers are not covered. Accordingly, the objector stated that it will create RPO accounting issues where entities fall in both lists.
 - b. Some of the stakeholders suggested to incorporate the definition of obligated entities as "Obligated entities mean an entity or designated consumers as mentioned under Section 14 (e) of the Energy Conservation Act 2001 which are mandated to fulfil Renewable Purchase Obligation in accordance with Regulation 3 of these Regulations.

We noted the aforesaid suggestions of the stakeholders. In order to impart more clarity, the Commission decides to modify the definition of 'Obligated Entities' in line with definition of "obligated entity" as

provided under GERC (Terms and Conditions of Green Energy Open Access) Regulations, 2024 which also cover the Designated consumers as defined under Sub-Section (e) of the Section 14 of the Energy Conservation Act, 2001. Accordingly, the Commission decides to modify the definition of 'Obligated Entities' in the Regulation as under:

"Obligated Entity" means the entities/person mandated under Section (e) of Section (1) of Section 86 of the Act to fulfill the Renewable Purchase Obligation, which includes distribution licensee, captive consumer / user, and open access consumer.

3) As regard to definition of 'Green Energy/Renewable Energy' as provided in the Draft Regulations, we note the suggestions of some of the stakeholders as under:

(a) Stakeholders have suggested that the definition of Green Energy or Renewable Energy in Draft Regulations does not explicitly mention solar and wind; potentially creating ambiguity. Therefore, the definition of 'Green Energy/Renewable Energy' should also include wind-solar hybrid generation.

(b) Some of the stakeholders have referred to the notification no. 19/34/2019-Biomass Power Division dated July 23, 2019 issued by the Ministry of New and Renewable Energy (with subject:

"Clarification regarding use of heat produced through Renewable sources as renewable energy") whereby the Ministry has clarified that the electricity or heat produced and used in any form from these sources qualify for being categorized as Renewable Energy. Accordingly, the stakeholders have requested to include refuse derived fuel based energy generation, refuse derived fuel / municipal solid waste based steam generation as well as refuse derived fuel co-fired with other application separately in the definition of 'Green Energy / Renewable Energy' sources and energy produced or steam generated by these renewable energy sources should also be considered towards the compliance of the RPO obligations of the Obligated Entities.

As regard to the aforesaid suggestions of the stakeholders, we note that the definition 'Green Energy/Renewable Energy' be in line with the definition of 'Green Energy' provided under Green Energy Open Access), Rules 2022 notified by Ministry of Power and GERC (terms and conditions for Green Energy Open Access) Regulations 2024 notified by the Commission. Accordingly, the Commission decides to modify the definition of 'Green Energy' in the Regulations as given below:

"Green Energy" means the electrical energy from renewable sources of energy including hydro and storage (if the storage uses renewable

energy) or any other technology as may be notified by the Government of India from time to time and shall also include any mechanism that utilizes green energy to replace fossil fuels including production of green hydrogen or green ammonia and any other sources as may be determined by the Central Government as per the provision of Clause G of sub-rule(2) of rule 4 of Electricity (Promoting Renewable Energy Through Green Energy Open Access), Rules 2022".

4) As regard to stakeholders' suggestion that the definition of 'Renewable Energy Certificate' may be aligned with the definition provided in the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulation, 2022 is concerned, we note that the draft Regulation 2 (1) (d) defines "Certificate" as under:

"Certificate" means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the provisions specified in, including the procedure notified under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 read with these Regulations and shall, wherever the context so requires, also include such certificates issued under CERC (REC) Regulations, 2010;

Further, we note that the draft Regulation 2 (1) (l) defines "Renewable Energy Certificate Mechanism" or "REC mechanism" as under:

“Renewable Energy Certificate Mechanism” or “REC mechanism” means the mechanism devised for the development of market for power generated from nonconventional energy sources by issuance of transferable and saleable credit certificates under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 as amended from time to time and under these Regulations as amended from time to time;

Thus, the aforesaid definitions of ‘Certificate’ and “Renewable Energy Certificate Mechanism” or “REC mechanism” deals with the mechanism for issuance and transaction of transferable and saleable renewable energy certificates in accordance with the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 as amended from time to time. However, we consider it appropriate to modify the definition of ‘Renewable Energy Certificate Mechanism’ or ‘REC Mechanism’ as under:

“(l) “Renewable Energy Certificate Mechanism” or “REC mechanism”
means the mechanism devised under the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation), Regulations, 2022 as amended from time to time.”

- 5) Some of the stakeholders have requested the Commission to provide the basis, working and explanation on the 3.5 units multiplying factors

as referred to in the 2nd proviso to draft Regulation 2 (1) (i) is concerned, the Regulation 2 (1) (i) of the Draft Regulations read as under:

“Distributed Renewable Energy Component” means the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations notified by the Central Government:

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer 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).

We note the aforesaid definition of *“Distributed Renewable Energy Component”* along with its proviso provided under the draft regulation is in accordance with the Notification No. S.O. 4617(E) dated 20.10.2023 issued by the Ministry of Power. Therefore, no further explanation/clarification is required in the matter.

- 6) Some of the stakeholders have suggested to modify the definition of “Renewable Power Purchase Obligation” or “RPPO” under draft Regulation 2 (1) (m) as under:

“Renewable Power Purchase Obligation” or “RPPO” means the Renewable Power Purchase Obligations to be met by the Obligated Entity as per provisions of these RPPO Regulations, 2024, which is calculated and the total energy procured from all sources, including RE Sources as per the Regulation 4 of this Regulations.

We note that the definition of “Renewable Power Purchase Obligation” or “RPPO” as provided under draft regulation 2 (1) (m) read as under:

“Renewable Power Purchase Obligation” or “RPPO” means the Renewable Power Purchase Obligations to be met by the Obligated Entity as per provisions of these RPPO Regulations, 2024.

We note that the Regulation 4 of the draft regulations specify in detail the minimum quantum of renewable energy purchase obligation to be met by the obligated entities. The Regulation 2 (1) (m) is to be read with the other provisions of these regulations and therefore no further modification is required in the aforesaid Regulation and therefore, suggestion is not accepted.

- 7) Some of the stakeholders have suggested to incorporate definitions of 'person' and 'power exchange' in line with definitions provided in GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010.

We note that draft regulations at various places refers to 'person' as well as 'power/energy exchange'. Therefore, the suggestion of the stakeholder is accepted and accordingly we decide to incorporate the definitions of 'person' as well as 'power/energy exchange' in line with definitions provided under GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 as under:

'Person'

"Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person

'Power/Energy exchange'

Power exchange means a power exchange as defined Under sub-clause (as) of clause (1) of Regulation 2 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021.

We further note that the Draft Regulations at various places refer to 'Captive Generating Plant' and 'Open Access'. Accordingly, we decide to incorporate the definitions of 'Captive Generating Plant' and 'Open

Access' in line with GERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 as under:

"Captive Generating Plant" (CGP) means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association.

"Open Access" means the non-discriminatory provisions for use of transmission lines and/or distribution system or associated facilities with such lines or system by any licensees or consumers or a person engaged in generation in accordance with the Regulations specified by the Appropriate Commission.

(II) Regulation 3 - Applicability of Renewable Power Purchase Obligation (RPPO)

Proposed in the draft Regulations

3 (a) The following entities are obligated to fulfil RPPO under these Regulations, namely:-

(a) Designated consumer as defined under the provisions of "The Energy Conservation Act, 2001" and Rules framed under it as amended from time to time and list of such consumers is stated in the Schedule to the

Energy Conservation Act, 2001 which also includes distribution licensees;

- (b) any person, consuming electricity procured from conventional sources (i.e. other than renewable energy sources) through open access or otherwise;*
- (c) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW, based on conventional technology (i.e. other than any renewable energy technology) and consumes electricity from such Plant purely for meeting his Standby or emergency backup requirements in the exceptional circumstances of power cuts/ breakdown etc. in his normal source of power; and/or*
- (d) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW based on conventional technology (i.e. other than renewable energy technology) and consumes electricity from such plant for meeting his normal requirements, apart from his standby (or emergency back-up) requirements:*

Provided that, save as provided in Clause (b), (c) and (d), a retail consumer of Distribution Licensee consuming electricity supplied by such distribution licensee shall not be considered as Obligated Entity, to the extent of its consumption in its capacity as a retail consumer of the Distribution Licensee.

Comments / suggestions from stakeholders

- (i) Some of the stakeholders have suggested that the RPPO shall be made applicable on the following entities:
 - (a) Designated consumer as defined under the provisions of "The Energy Conservation Act, 2001" and Rules framed under it as amended from time to time and list of such consumers is stated in the Schedule to the Energy Conservation Act, 2001 which also includes distribution licensees.
 - (b) Any person, consuming electricity procured from all sources through Open Access /from its captive power plant or otherwise.
- (ii) The objector submitted that above targets shall be applicable to all Open Access consumers and Captive Users and the limitations in Clause 3(b), 3(c) and 3(d) of the clauses in the draft RPPO regulation are not provided in the Energy Conservation Act, 2021. RPO target in case of Captive Users/Open Access Consumers shall be applicable as a percentage of their total share of energy consumption.
- (iii) Some of the stakeholders have submitted that the Commission is advised to adopt the MoP's notification dated 20.10.2023, specifically specifying the Quantum of RPPOs, to consider implementing the notifications issued by the MoP regarding the capping of RPPO for CGPs. The objector further

submitted that after reading of Regulations 3(a) and 3(c) with Point no. 5 to Regulation 4(i) and 4(2xii), and thus, raises a question about the RPPO of a thermal power plant and more particularly, a captive generating plant, which is a "Designated Consumer.

- (iv) Some of the stakeholders have submitted that capacity limitation shall be 5 MW instead of proposed 100 KW. In the earlier GERC RPO Regulation (2010) limit was 5 MW.
- (v) Some of the stakeholders have submitted that Commission is requested to define the Procedure for Certification of energy from Diesel Generator sets which comes under the purview of the Chief Electrical inspector, as they are not recorded and certified by DISCOMS, as standby sources.
- (vi) Some of the stakeholders have submitted that the MoP Electricity Rules, 2022 and GERC Regulations, 2024 permitted captive generating plants to access green energy irrespective of demand or load. Further the provision is also contrary to draft Regulation 4(5) which provides that the designated consumers who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source. Accordingly, the restriction of 100 kW for fulfilling RPO for captive generating plants is inconsistent and needs to be aligned with the MoP Rules and GERC Regulations.

Commission's Analysis and Ruling

- (1) We note that some of the stakeholders have made suggestions with regard to the entities to whom these regulations shall be made applicable namely (a) Designated consumer as defined under the provisions of "The Energy Conservation Act, 2001", (b) any person, consuming electricity procured from all sources through open access / from its captive power plant or otherwise.

We also note that stakeholders have submitted that the RPO targets specified in these Regulations shall be applicable to all OA consumers and Captive Users and the limitations in clause 3(b), 3(c) and 3(d) of the clauses in the draft RPPO regulation are not provided in the Energy Conservation Act and RPO target in case of Captive Users/ OA Consumers shall be applicable as a percentage of their total share of energy consumption.

As regard to the suggestions of the stakeholders to the entities to whom these regulations shall be made applicable namely (a) Designated consumer as defined under the provisions of "The Energy Conservation Act, 2001", (b) any person, consuming electricity procured from all sources through open access / from its captive power plant, we clarify that as decided and recorded earlier, the Regulation shall be applicable to

obligated entities which also includes designated customers as defined under the provisions of "The Energy Conservation Act, 2001 and other person(s), consuming electricity procured from other sources through open access / from its captive power plant. In order to impart more clarity, the Regulation 3 and other applicable regulations of these draft regulations are modified accordingly.

- (2) As regard to the suggestions that RPO targets specified in these Regulations shall be applicable to all OA consumers and Captive Users and the limitations in clause 3(b), 3(c) and 3(d) of the clauses in the draft RPPO Regulation are not provided in the Energy Conservation Act 2021 and RPO target in case of Captive Users/OA Consumers shall be applicable as a percentage of their total share of energy consumption without any exemption is concerned, we note that the Regulation 3 provides as under:

"3...

The following entities are obligated to fulfil RPPO under these Regulations, namely: -

- (a) Designated consumer as defined under the provisions of "The Energy Conservation Act, 2001" and Rules framed under it as amended from time to time and list of such consumers is stated in the Schedule to the Energy Conservation Act, 2001 which also includes distribution licensees;*

- (b) any person, consuming electricity procured from conventional sources (i.e. other than renewable energy sources) through open access or otherwise;
- (c) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW, based on conventional technology (i.e. other than any renewable energy technology) and consumes electricity from such Plant purely for meeting his Standby or emergency backup requirements in the exceptional circumstances of power cuts/ breakdown etc. in his normal source of power; and/or
- (d) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW based on conventional technology (i.e. other than renewable energy technology) and consumes electricity from such plant for meeting his normal requirements, apart from his standby (or emergency back-up) requirements:

Provided that, save as provided in Clause (b), (c) and (d), a retail consumer of Distribution Licensee consuming electricity supplied by such distribution licensee shall not be considered as Obligated Entity, to the extent of its consumption in its capacity as a retail consumer of the Distribution Licensee."

We note that Commission has granted specific exclusions to the obligated entities under the Regulation 3(c) and 3(d) of the draft Regulations, who have installed captive generating plant not exceeding 100 kW, to address

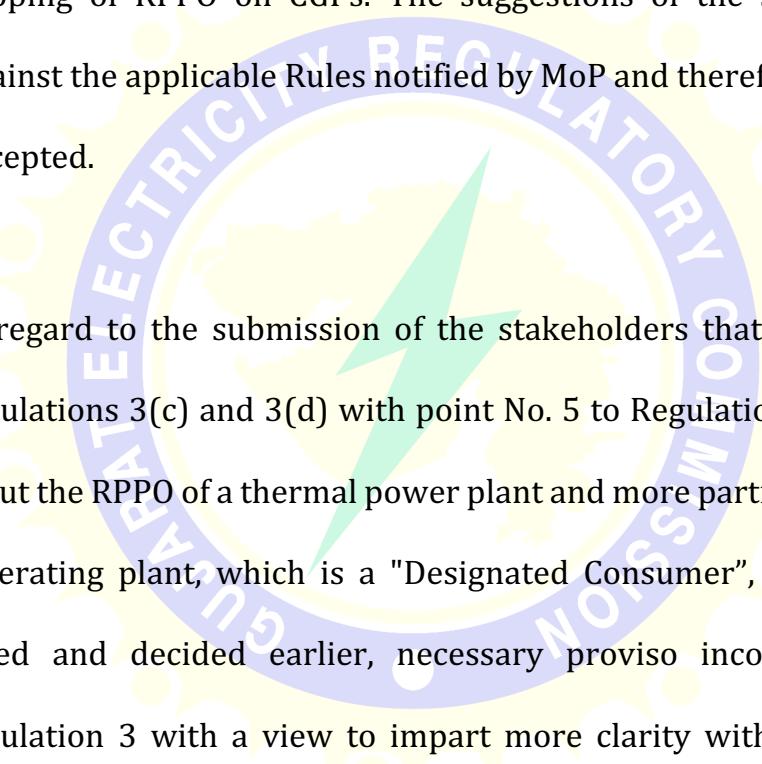
the operational realities and ensure a balanced and equitable imposition of RPO obligations with consideration that consumption from captive generating plant based on conventional sources not exceeding 100 kW are mainly for standby or emergency backup purposes for shorter time period and designed to avoid undue compliance burden on small-scale or backup captive users who do not substantially contribute to base load consumption. However, with consideration of the MoP notification dated 20.10.2023, which do not provide such exemption as provided under Regulation 3 (c) and 3 (d) of the Draft Regulation to the Designated Customers as defined and listed out under the provisions of the Energy Conservation Act, 2001, we clarify that the designated customers as defined under Energy conservation Act shall be governed by the provision of MOP notification dated 20.10.2023 . The necessary proviso is incorporated in the Regulation 3 accordingly.

- (3) As regard to submission of the stakeholders for implementing the notifications issued by the MoP regarding the capping of RPPO for CGPs is concerned, we note that the said suggestion is against the provisions of Green Energy Open Access Rules, 2022 notified by Ministry of Power. The Rule 4 of the Green Energy Open Access Rules, 2022 reads as under:

“4. Renewable Purchase Obligation- (1) On and from the date of commencement of these rules, there shall be a uniform renewable

purchase obligation, on all obligated entities in area of a distribution licensee."

Thus, the Green Energy Open Access Rules, 2022 notified by Ministry of Power provides for uniform renewable purchase obligation, on all obligated entities in area of a distribution licensee effective from notification of MoP Rules. The above MoP Rules do not provide for any capping of RPPO on CGPs. The suggestions of the stakeholders are against the applicable Rules notified by MoP and therefore not valid and accepted.

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- (4) As regard to the submission of the stakeholders that after reading of Regulations 3(c) and 3(d) with point No. 5 to Regulation 4 raises issues about the RPPO of a thermal power plant and more particularly, a captive generating plant, which is a "Designated Consumer", is concerned, as noted and decided earlier, necessary proviso incorporated in the Regulation 3 with a view to impart more clarity with respect to RPO obligation for obligated entities who are also designated customers as defined under the Energy Conservation Act, 2001.

 - (5) As regard to the submission of the stakeholders that capacity limitation for Captive Generating Plant shall be 5 MW instead of proposed 100 KW in line with earlier GERC RPO Regulations, 2010, is concerned, we note

that as recorded earlier, the exception for person who installs Captive Generating Plant on conventional technology with installed capacity not exceeding 100 kW, is with a consideration to address the operational realities and ensure a balanced and equitable imposition of RPO obligations with consideration that consumption from captive generating plant based on conventional sources not exceeding 100 kW are mainly for standby or emergency backup purposes and designed to avoid undue compliance burden on small-scale or backup captive users who do not substantially contribute to base load consumption. The suggestions of the stakeholders to provide exemption in RPO compliance on consumption of energy from Captive Generating Plant based on conventional sources upto 5 MW capacity is not valid and justified and therefore not accepted. We also note that there is no such exemption in respect of Designated Consumers as defined under the Energy Conservation Act, 2001.

- (6) As regard to the suggestion of the stakeholder to define the Procedure for Certification of energy from Diesel Generator sets which comes under the purview of the Chief Electrical inspector, as they are not recorded and certified by DISCOMS, as standby sources is concerned, we note that the Regulation 7 (3) (i) already provides for formulation of suitable procedure by State Nodal Agency for development of web portal for monitoring and compliance of RPO.

(7) After careful consideration of suggestions and comments from the stakeholders and discussed above, the Commission has decided to modify the Regulation 3 as under:

3. Applicability of Renewable Purchase Power Regulation

The Renewable Power Purchase Obligation (RPO) specified under these Regulations shall be applicable to all Obligated Entities covering Distribution Licensees, Open Access Consumers and captive users within Gujarat, and shall also include:

- (a) any person, consuming electricity procured from conventional sources (i.e. other than renewable energy sources) through open access or otherwise;
- (b) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW, based on conventional technology (i.e. other than any renewable energy technology) and consumes electricity from such Plant purely for meeting his Standby or emergency backup requirements in the exceptional circumstances of power cuts/ breakdown etc. in his normal source of power; and/or
- (c) any person who installs Captive Generating Plant, with an installed capacity exceeding 100 KW based on conventional technology (i.e. other than renewable energy technology) and consumes electricity from such plant for meeting his normal requirements, apart from his standby (or emergency back-up) requirements;

Provided that, save as provided in Clause (a), (b) and (c), a retail consumer of Distribution Licensee consuming electricity supplied by such distribution licensee shall not be considered as Obligated Entity, to the extent of its consumption in its capacity as a retail consumer of the Distribution Licensee.

Provided further that, the exemptions under clauses (b) and (c) shall not be applicable to the obligated entities who are also Designated Consumers as defined under the Energy Conservation Act, 2001. Designated Consumers shall be required to comply RPO irrespective of capacity of Captive Generating Plant.

(III) Regulation 4 - Quantum of Renewable Power Purchase Obligation (RPO)

Proposed in the draft Regulations

4(1) The Obligated Entity shall, during each year, purchase or generate and consume such quantum of electricity (in kWh) from renewable sources and storage not less than the quantum of electricity (in kWh), worked out as per Table-1 and Table-2 given below:

TABLE-1.....

Note 1: The wind renewable energy component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March, 2024.

Note 2 : The hydro renewable energy component 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 energy component 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.

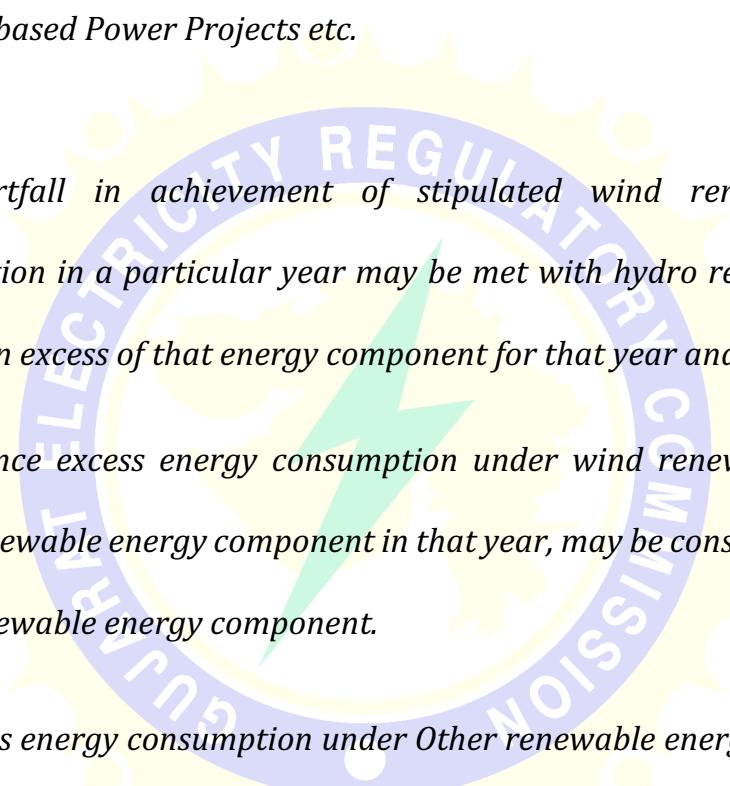
Provided further that the hydro renewable energy component may also be met from Hydro Power Projects located outside India as approved by the Central Government on a case- to-case basis.

Note 3: The distributed renewable energy component 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 notified by the Central Government.

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units).

Provided further that in case the designated consumer 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).

Note 4: The other renewable energy component may be met by energy produced from any renewable energy power project other than specified in Note 1, 2 and 3 above 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 and energy produced from Biomass, Bagasse Co-Generation Power Projects and MSW based Power Projects etc.

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2. Any shortfall in achievement of stipulated wind renewable energy consumption 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.
 3. The balance excess energy consumption under wind renewable energy or hydro renewable energy component in that year, may be considered as part of other renewable energy component.
 4. Any excess energy consumption under Other renewable energy component in a particular year, may be utilized to meet the shortfall in achievement of stipulated Wind renewable energy or Hydro renewable energy consumption.
 5. The designated consumers who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source.

6. The specified renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May, 2022.

Provided that any shortfall in specified renewable energy consumption targets shall be treated as noncompliance and penalty shall be imposed at such rate specified under sub-section (3) of Section 26 of The Energy Conservation Act, 2001.

(i) The following percentage of total energy consumed shall be renewable energy along with/through storage as provided in Table-2 below.

TABLE-2

j. The Energy Storage Obligation in Table-2 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.

k. The Energy Storage Obligation to the extent of energy stored from RE sources shall be considered as a part of fulfilment of the total RPPO as mentioned in Table-1 above.

- l. Minimum percentage for Renewable Power Purchase Obligation for each category mentioned in Table-1 above under the Regulation 4, shall have to be met separately subject to the conditions specified in these Regulations.*
- m. The provisions contained in Regulation 4, unless revised earlier, be applicable in respect of the period upto 31st March, 2030:*

Provided that in case the provisions for the period beyond 31st March, 2030 are not specified before the said date, the provisions relating to the year 2029-2030 shall continue to be applicable till the issuance of notification of such provisions for that period.

- (2) The consumption of the Obligated Entity shall be computed by taking into account the following, namely:*
- (i) the total energy purchased/ consumed from various sources, inter alia, including the purchases under Power Purchase Agreement(s), through energy exchanges, and from other projects etc.;*
 - (ii) the energy consumed (excluding auxiliary consumption) from the power plants, owned exclusively or jointly, by it. This shall include the standby generating set(s) also;*
 - (iii) the applicable Transmission and Distribution losses (T&D losses for short) for conveyance of power from the point of purchase/ generation to the point of consumption in relation to Clause (i) and (ii) shall be*

considered as part of consumption by the obligated entity while deciding the RPPO and its fulfilment;

- (iv) the sale of energy out of the energy so purchased/generated, inter alia, including transmission and distribution losses borne by it for conveyance of power from the point of purchase/generation to the point of such sale, shall be excluded:*

Provided that in case it is not feasible to identify such losses separately, the average T&D losses as per Clause (iii) shall be considered.

- (v) in case of the banking arrangement(s), the energy banked/ returned by the Distribution Licensee shall be considered as sale under Clause (iv) and the energy received shall be treated as purchased under Clause (i) and (iii).*

- (3) Any person/consumer, who consumes power from any source (generation/purchase), inter alia, including purchase through Open Access, but other than in his capacity as a consumer of Distribution Licensee or by consumption from a Captive Generating Plant, the RPPOs provided at the Table-1 and storage Obligation at Table-2 under this Regulation shall be applicable in respect of his consumption from such sources: Provided that the energy purchased/generated and consumed by Obligated Entity, shall be considered to have been arranged from the sources other than the RE Sources, unless such Obligated Entity establishes to the satisfaction of the State Agency that such energy was availed from RE Sources.*

(4) *The Commission may, keeping in view the power supply constraints or other factors beyond the control of the Obligated Entity(ies) or for any cogent reasons, Suo-Moto or at the request of an Obligated Entity, revise the percentage targets or allow inter category adjustment over and above those permissible under Regulation 4 of these Regulations taking into account the non-availability of such renewable energy or RE certificates in respect of any one or more categories of the RPPO, for a year(s) for which Renewable Power Purchase Obligations have been fixed as per Regulation 4 of these Regulations.*

Comments / suggestions from stakeholders

- (i) Some of the stakeholders have requested the Commission to specify separate RPO target for Wind energy (Wind RPO) as recommended in the MoP notification dated 22.10.2022. The objector raises the issue of shortfall of wind energy due to continuation non-compliance of RPO in past years. The objector requested for topping up of the wind RPO for FY 2022-23 and FY 2023-24 which is 2.41% in the next three years so that the overall RPO trajectory shall remain the same as proposed in draft Regulations.

- (ii) Some of the stakeholders requested the Commission to adopt the MoP RPO Trajectory in the true spirit and modify the minimum RPO for obligated entities from FY 2024-25 as per the table given below:

Year	Wind RPO	HPO	Other RPO	Total RPO
2024-25	3.26%	1.08%	26.37%	29.91%
2025-26	4.16%	1.48%	28.17%	33.01%
2026-27	5.09%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

(iii) Some of the stakeholders opposed to the option proposed in the draft Regulations wherein the shortfall in Wind RPO is allowed to meet from excess purchase from Hydro. The objector submitted that the shortfall in Wind RPO should only be allowed by purchase of RECs. In support of his submission, the objector refers to the provisions under GERC (Renewable Energy Certificate and RPO Compliance Framework) Regulations, 2010. He further refers to the Hon'ble APTEL judgement dated 25.04.2014 and minutes of meeting of FOR dated 02.04.2024 to substantiate that RECs have been recognized as valid instrument for fulfillment of RPO and submitted that any shortfall in Wind RPO should be allowed to meet by purchase of equivalent RECs.

(iv) Some of the stakeholders submitted that energy wheeled by DISCOMS for the captive/ Third party consumers not availing the RPO shall be accounted for consumption of Renewable energy of the State DISCOMS as the unutilized RE power will be lapsed without any contribution to the RPO.

- (v) Some of the stakeholders requested to revise the regulation 4(1) of the draft Regulations as "*the Obligated Entity shall, during each year, purchase/ Wheel the energy in excess of the RPO obligation of Consumer or generate and consume. Such quantum of electricity (in kWh) from renewable sources and storage not less than the quantum of electricity (in kWh), worked out as per Table-1 and Table-2 given below*"
- (vi) Some of the stakeholders requested the Commission to review and revise the RPO targets for the FY 2024-25 and FY 2025-26 considering that first two quarters of FY 2024-25 has already been over and the time available to make necessary RE tie up with generators is very less.
- (vii) Some of the stakeholders requested that the Commission may clarify that generation from all RE technologies below 10 MW—Solar, Wind, Biomass/Bagasse, and Small/Mini/Micro Hydro—qualifies for Distributed RPO. Additionally, surplus energy from such Distributed Renewable Energy Projects (DREP), including those under SSDSP and small wind/hydro systems, may be allowed to offset shortfalls in other RPO categories like Wind or Hydro for better flexibility and utilization.
- (viii) It is further submitted that the Commission may clarify that RE projects below 10 MW across all technologies (solar, wind, small hydro, etc.) qualify for Distributed RPO, as entities like GUVNL have existing tie-ups with such projects.

(ix) It is further submitted as the source of power to be purchased from the exchange are not known at the time of the bidding and purchase for RE power from the exchange. The resource type of RE Power procured is available to buyer post purchase only and buyer do not have option to put bid for RE technology and plant specific purchase. Further, the exact details of source of power i.e. seller name and date of commissioning in respect of wind/hydro plant is not known to the buyer to categorized purchase RE for RPO fulfilments.

(x) It is requested to specify that RE power procured from the Exchange may be utilized to offset the shortfall of RPO in any category. The Commission is also requested to add proviso that in case the 'Forbearance Price" for the REC is more than the proposed Penalty specified per Unit at Regulation 10(Consequences of Default), Commission may consider it as non-availability of such renewable energy or RE certificates.

(xi) Some of the stakeholders submitted that introduction of penalty provision and Energy Storage Obligation is a welcome step for overall development of RE generation in the State of Gujarat. He further opined that off-setting of other renewable energy component by using excess energy consumption of hydro renewable energy/component or wind renewable energy component may not be permitted as same is contrary

to the intent and purpose of the RPO mechanism. He requested to specify the separate RPO target for Biomass and MSW based power projects in the State. He suggested that without prejudice, offsetting may be permitted only in case of Solar and wind RPO. He suggested that the RPO for other renewable energy (RE) sources such as Biomass, Bagasse, Bio-Fuel based co-generation, and Municipal Solid Waste (MSW) should be maintained at 4.5% for the years starting FY 2024-25.

- (xii) Some of the stakeholders submitted that RPPO target trajectory for FY2024-25 should follow the RPPO target notified by the Commission in GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022. The Stakeholder submitted to continue the overall target of 20.70% of FY2024-25, same as for FY2025-26 instead of revised target of 33.01%.
- (xiii) The objector suggested for insertion of new sub-clause below Regulation 4(a) of draft Regulations as:

if minimum quantum of power purchased from Wind, Hydro, Distributed, or Other Renewable Energy is not individually purchased, excess energy consumed under other renewable energy component should be utilized for RPPO fulfilment. Renewable Energy Certificate issued are technology agnostic, obligated entity can purchase equivalent certificate to fulfil its overall RPPO trajectory.

(xiv) The objector requested for revision of RPO target for FY 2024-25 considering that the three quarters of FY 2024-25 is over. He suggested that in Table No. 2 of draft Regulations the trajectory for Energy Storage Obligation for FY2024-25 and FY2025-26 should be kept as NIL.

(xv) It is suggested to remove words 'irrespective of the non-fossil fuel source' in Regulation 4(5), i.e. Quantum of RPPO and further submitted that those consumers who are already purchasing Renewable Energy should not qualify as obligated entity, nevertheless in case any consumers purchase energy from conventional sources as well as renewable sources, the consumer should be liable to fulfil its RPPO obligation to the extent of energy consumed from the conventional sources.

(xvi) Some of the Stakeholders suggested that the proposed RPO targets should be reduced and made in proportion to the actual percentage of RE consumption of the total energy consumed in the past year. The objector opined that the RPO target specified in draft Regulations are quite high and the industrial consumers availing Open Access or having Captive power projects find difficulties in meeting the RPO target.

(xvii) The Objector pointed out that the specific requirement under Note L of TABLE -1 for wind energy viz. "*The hydro renewable energy component*

shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHP shall have commissioned after the 31st March 2024'] leads a situation where compliance becomes impossible as commensurate capacity is not likely to be added this year. Same is the situation for Hydro generation.

(xviii) It is suggested with reference to the Note 1, 2 and 3 under Table 1 of the Draft Regulations as under:

- As per Note -1, Wind RE component shall be met by energy procured from wind power projects commissioned after 31st March 2024 which is not feasible for the Open Access users.
- As per Note -2, it will not be feasible for the Open Access users to procure Hydro RE component from Hydro Projects commissioned after 31st March 2024.
- As per Note -4, it is suggested to enhance upper limit of 1 MW to at least 10 MW if not more to meet the distributed RE component.

(xix) Some of the stakeholders suggested that RPO trajectory percentage is very high in comparison to current percentages. The Stakeholder suggested to continue with the RPO targets as published vide Regulations, 2010 for the year 2024-25. Or otherwise, may permit the rollover in case of obligated entity who is not in a position to fulfil the

required quantum of RPO. The stakeholder requested to increase RPO percentage by 5% to 10% from the current level of RPO i.e. from 20.70% for sustainable compliance. The Stakeholder requested that the generation from off grid, behind the meter installations should also be qualify for fulfilment of RPO under distributed energy component.

- (xx) Some of the Stakeholders submitted that RPO can be met by consumption of RE or purchase of RECs and RECs are issued based on energy metered at Generator Bus bar. Hence in order to have level playing field, it is requested the Commission to allow RPO set off based on RE metered at Generator bus bar.
- (xxi) Some of the Stakeholders requested to provide capping of RPO for captive generating plant in line with Ministry of Power Notification dated 01.10.2019. The Stakeholder also requested that there shall not be any RPO for Captive consumers having cogenerating plants. He refers to the Hon'ble High Court order in similar matter dated 01.03.2024.
- (xxii) Some of the stakeholders requested that the draft Regulations should provide for relevant provisions related to Registration/Accreditation to Open Access consumer by Nodal Agency. Open Access consumer who consumes RE power in excess of RPO requirement should be eligible for

issuance of the REC to the extent of excess RE power consumed above the RPO obligation.

(xxiii) Some of the Stakeholders requested to the Commission to clarify that off grid, behind the meter installations will qualify under distributed energy component.

(xxiv) Some of the Stakeholders submitted that the draft regulations specify 29.90% RPPO target for FY 2024-25 in comparison to RPPO target of 20.70% specified in the GERC Renewable Energy (Third Amendment) Regulations, 2022 implying an increase of 9.21% in the same year. The stakeholder submitted that the FY 2024-25 is at verge of completion, and it is practically not possible to arrange for the increase of 9.21% for FY 25-26 as the gestation period of RE power project is between 18 to 24 months. The Stakeholder submitted to continue the overall target of 20.70% for FY 2024-25 and defer the RPO proposed in the draft regulation by one year.

(xxv) Some of the Stakeholders submitted that RPO targets proposed in the draft Regulations are aligned with MoP notification notified in October 2023. The introduction of New DRE category shall boost solar installations <10MW in size in the state. The objector submitted that fungibility across various RPO categories may be allowed, i.e., excess consumption in any one category can be considered in another. A

composite RPO structure with only two categories of targets (RE and DRE) apart from ESO is suggested.

(xxvi) Some of the Stakeholders like different percentage mentioned in the table for wind RE, Hydro RE and other RE, separate obligation may be specified for to the other RE categories including MSW derived fuel-based energy generation biomass and bagasse.

(xxvii) The objector requested to explicitly mention the eligibility of purchase from Hybrid RE under proposed RPO as Solar-Wind Hybrid Project provides much stability and optimum utilization of the entire transmission infrastructure.

(xxviii) Some of the Stakeholders submitted that Draft Regulations states that Transmission and Distribution losses (T&D losses) for power conveyance from purchase/generation to consumption should be considered as part of consumption by the obligated entity when deciding the RPPO and its fulfillment. However, these losses are inherent in the system and cannot be reduced to a certain level and are beyond the control of the generating company. Therefore, there is no clarity behind including T&D losses in consumption computations.

(xxix) The Stakeholder submitted that the Regulation 4(2)(v) of the Draft Regulations, specifies the treatment of energy banked/ returned by the 'Distribution Licensee. The process of energy banking would essentially

entail certain banking charges / losses. The treatment of such banking charges/losses has not been specified in the regulations.

(xxx) Some of the Stakeholders submitted that the Commission should direct the Discoms to make a road map for achieving the targets of the RPO's during the financial year, as year, as of now the discom don't have any road map for achieving the targets of RPO. As a result, Discoms approached the Commission to carry forward the shortfall of the RPO and ultimately for waiving off the same. Further, to make more regulatory uncertainties the Commission also approves the same. This will not only dilute the purpose of fixing the RPO targets but also impacting the investment in the renewable energy sector in the State. Strict enforcement of the RPO is must. It is also advised that the Commission should propose a committee of forum who will check this on quarterly basis.

Commission's Analysis and Ruling

1. We note that some of the stakeholders have requested to specify separate RPO target for Wind energy (Wind RPO) as recommended in the MoP notification dated 22.10.2022. Some of the stakeholders have requested to specify separate RPO targets for biomass, bagasse, Bio-Fuel based cogeneration, MSW based power projects in the State.

With regard to the suggestion for specifying separate RPO for wind, biomass, bagasse, MSW based power projects is concerned, we note that the RPO category specified in the Regulation is in accordance with MoP notification No. 4617 (E) dated 20.10.2023 and the wind, biomass, bagasse, MSW based energy sources are already included in the definition of Green /Renewable Energy and covered under the RPO category specified under the draft Regulation. Therefore, no modification is required in the Regulations on these aspects.

2. Some of the Stakeholder has requested the Commission to modify the minimum RPO for obligated entities from FY 2024-25 as given below:

Year	Wind RPO	HPO	Other RPO	Total RPO
2024-25	3.26%	1.08%	26.37%	29.91%
2025-26	4.16%	1.48%	28.17%	33.01%
2026-27	5.09%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

We note that the aforesaid RPO category wise trajectory suggested by the objector is not in accordance with MoP Notification No. 4617 (E) dated 20.10.2023 and therefore, the same is not valid and accepted.

3. Some of the objectors have opposed the provisions for meeting shortfall in wind RPO through excess purchase from hydro projects and submitted that the shortfall in wind RPO need to be allowed by purchase of RECs. Whereas some of the stakeholders have requested that fungibility across various

RPO categories may be allowed i.e. excess purchase/consumption in any one category can be considered for off-setting shortfall in another category of RPO.

With regard to the aforesaid suggestions from stakeholders, we observed that the MoP notification No. 4617 (E) dated 20.10.2023 specifically deals with eligibility for adjusting shortfall in compliance of given RPO category from excess purchase/consumption from other RPO category. The relevant provisions of the aforesaid MoP notification dated 20.10.2023 reads as under:

“.....

2. *Any shortfall in achievement of stipulated wind renewable energy consumption 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.*
3. *The balance excess energy consumption under wind renewable energy or hydro renewable energy component in that year, may be considered as part of other renewable energy component.*
4. *Any excess energy consumption under Other renewable energy component in a particular year, may be utilised to meet the shortfall in achievement of stipulated Wind renewable energy or Hydro renewable energy consumption.*

5. The designated consumers who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source.

6. The specified renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May 2022:

Provided that any shortfall in specified renewable energy consumption targets shall be treated as non-compliance and penalty shall be imposed as such rate specified under sub-section (3) of section 26 of the said Act.

....."

Thus, we clarify that the eligibility for adjusting the shortfall in RPO compliance of particular RE category against excess purchase/consumption from other RE category etc., shall be governed by the aforesaid provision of MoP notification which is also incorporated as part of these Regulations. As regard to suggestions that the shortfall in RPO of particular RE category shall be allowed by purchasing RECs only, we

note that the Regulation 5 of these Draft Regulations specifies the method/mechanism for compliance of RPO trajectory and therefore, no further deliberation/modification is required. Further, as regard to the difficulties shown by the Stakeholders, we are of the view that whenever the Obligated Entity approach the Commission for verification RPO Compliance, the Commission may dealt with these aspects with consideration of the facts and circumstances of the case and provisions of these Regulations for allowing inter category adjustment of RPO over and above those permissible under Regulation 4 of these Regulations taking into account the non-availability of renewable energy or RE certificates in respect of any one or more categories of the RPPO, for a year(s) for which Renewable Power Purchase Obligations have been fixed as per Regulation 4 of these Regulations.

4. Some of the Stakeholders have raised the issue of shortfall of wind energy due to continuation non-compliance of RPO in past years and requested for topping up of the wind RPO for FY 2022-23 and FY 2023-24 at 2.41% in the next three years so that the overall RPO trajectory shall remain the same as proposed in draft Regulations.

We note that the aforesaid submission of the stakeholder is with respect to the status of RPO compliance for FY 2022-2023 and FY 2023-2024, which

is not subject matter of the present proceedings and therefore no further deliberation is required in the matter.

5. Some of the stakeholders have suggested that energy wheeled by DISCOMS for the captive/ Third party consumers not availing the RPO shall be accounted for consumption of Renewable energy of the DISCOMS as the unutilized RE power will be lapsed without any contribution to the RPO and requested to revise the Regulation 4(1) of the draft Regulations as under:

"the Obligated Entity shall, during each year, purchase/ Wheel the energy in excess of the RPO obligation of Consumer or generate and consume Such quantum of electricity (in kWh) from renewable sources and storage not less than the quantum of electricity (in kWh), worked out as per Table-1 and Table-2 given below"

As far as aforesaid suggestions of the stakeholder are concerned, we clarify that the eligibility for claiming RE attribute of wheeled energy for compliance of RPO of Discoms etc., if any, shall be governed by the provisions of applicable Order/Regulations of the Commission as amended from time to time.

6. Some of the stakeholders requested the Commission to review and revise the RPO targets for FY 2024-25 and 2025-26, considering that FY 2024-

2025 is in verge of completion and the time available to make necessary RE tie up with generators is very less. Some of the stakeholders submitted that the RPO trajectory for FY 2024-25 should follow the RPO targets notified by the Commission in GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 and submitted to continue overall target of 20.70% for FY 2024-25 and same as for FY 2025-26 instead of revised target of 33.01%.

The Commission has noted the aforesaid suggestions/submissions of the stakeholders. We note that the RPO trajectory specified under these Regulations is in line with Ministry of Power notification No. 4617(E) dated 20.10.2023, which also includes RPO trajectory for FY 2024-25. We have decided to align the RPO trajectory specified under these Regulations with aforesaid MoP notification dated 20.10.2023 with consideration of the Green Energy Open Access Rules, 2022 notified by Ministry of Power, Govt of India providing for uniform RPO target under the jurisdiction of distribution licensee.

As regard to the concern raised by various stakeholders showing difficulties in fulfilment of RPO of FY 2024-25 is concerned, we are of the view that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and

circumstances of the case and provisions of these Regulations in this regard.

Considering above, the Commission decide to retain the provision of draft Regulations specifying RPO trajectory for 2024-2025 to FY 2029-30.

7. Some of the stakeholders have requested the Commission to clarify that RE projects below 10 MW across all technologies (solar, wind, small hydro, etc.) qualify for Distributed RPO, including existing tie-ups with such projects is concerned, we note that the relevant part of para 1 of MoP notification dated 20.10.2023 read as under;

“.....

Note 4: The distributed renewable energy component 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 that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer 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).

....”

The aforesaid provisions of MoP Notification, which is incorporated as part of these Regulations, clearly provides that the distributed renewable energy component shall be met from the energy generated from renewable energy projects that are less than 10 MW in size which also include solar installations under all configurations. Therefore, no further clarification/deliberation is required.

8. It is further submitted that as the source of power to be purchased from the exchange are not known at the time of the bidding and purchase for RE power from the exchange. The resource type of RE Power procured is available to buyer post purchase only and buyer do not have option to put bid for RE technology and plant specific purchase. Further, the exact details of source of power i.e. seller name and date of commissioning in respect of wind/hydro plant is not known to the buyer to categorized purchase of RE for RPO fulfilments. Accordingly, it is requested to specify that RE power procured from the Exchange may be utilized to offset the shortfall of RPO in any category.

With regard to the above submission of the stakeholder, we note that the Regulation 5 (3) of Draft Regulations read as under:

"(3) In case the Obligated Entity expects any shortfall in meeting RPPOs of one or more categories in a year, it shall meet such shortfall by procuring energy, or certificates, from RE Sources based on respective technology (ies) before close of that year:

Provided that the shortfall for a particular category of RPPOs in a year may be offset, to the extent permissible under Table-1 & 2 as provided in Sub-regulation (4) of Regulation 4 of these Regulations, by adjustment of surplus availability under other RPPO category:

Provided further that in case the CERC (REC) Regulations, 2022 or the Procedure made thereunder, provide for inter category convertibility of certificates on the basis of Certificate multipliers such multipliers shall be applicable for offsetting the shortfalls or computing surplus, and shortfall in any RPPO category may be met by purchasing certificates related to Other RPPO categories by suitably applying such Certificate multiplier approved by the Central Commission."

Thus, the proviso to the Regulation 5 (3) of these Regulations specifies that the shortfall for a particular category of RPPOs in a year may be offset, to the extent permissible under Table-1 & 2 as provided in Sub-regulation (4) of Regulation 4 of these Regulations, by adjustment of surplus availability under other RPPO category. Further, 2nd proviso to Regulation 5 (3) clearly provides that in case the CERC (REC) Regulations, 2022 or the Procedure made thereunder, provide for inter category convertibility of certificates

on the basis of Certificate multipliers such multipliers shall be applicable for offsetting the shortfalls or computing surplus, and shortfall in any RPPO category may be met by purchasing certificates related to Other RPPO categories by suitably applying such Certificate multiplier approved by the Central Commission.

As regard to the difficulties shown by the Stakeholders, it is also to be noted that the whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard.

Thus, the concerned raised by the stakeholders are already taken care in the draft Regulations and therefore no further deliberation/modification is required.

9. Some of the stakeholders have requested to incorporate a proviso under Regulation 10 (*Consequences of Default*) that in case the “forbearance price” of Renewable Energy Certificates (RECs) exceeds the per-unit penalty specified for RPO non-compliance, such a scenario may be treated as a case of “non-availability” of renewable energy or RE certificates, and the obligated entity may accordingly be exempted from default treatment.

We note that the Regulation 10 of draft regulations deals with consequence of default in case the obligated entity does not fulfil the RPO as provided in these Regulations and also does not purchase RE certificates, the Commission may direct the obligated entity to pay the additional penalty for shortfall in specified renewable energy consumption targets as per the methodology specified in the Ministry of Power Notification as issued from time to time. The draft regulations provide adequate clarity with regard to consequences of default in not fulfilling the RPO targets specified in the Regulations and therefore, no further modification is required in the Regulations.

10. Some of the stakeholders have suggested to remove words 'irrespective of the non-fossil fuel source' in Regulation 4(5), i.e. Quantum of RPPO and further submitted that those consumers who are already purchasing Renewable Energy should not qualify as obligated entity, nevertheless in case any consumers purchase energy from conventional sources as well as renewable sources, the consumer should be liable to fulfil its RPPO obligation to the extent of energy consumed from the conventional sources is concerned, we note that the Regulation 3 clearly specifies the entities who are obligated to fulfil RPO stipulated under these Regulations. The Regulation 3 provides that the RPO specified under these Regulations shall be applicable to the extent of consuming electricity procured from conventional sources i.e. other than renewable energy sources through

open access or otherwise. Further, it also provides that the entity shall be obligated to fulfil RPO in case it consumes energy from Captive Generating Plant based on conventional technology i.e. other than any renewable energy technology. Thus, the regulation provides adequate clarity regarding obligated entity for fulfilment of RPO under these Regulations and therefore no further modification is required.

11. Some of the stakeholders have submitted that the RPO target specified in draft Regulations are quite high and the industrial consumers availing Open Access or having Captive power projects find difficulties in meeting the RPO target and the same may be reduced in proportion to the actual percentage of RE consumption of the total energy consumed in the past year. It is further submitted that the provision of draft regulations for meeting hydro obligation by procuring energy produced from hydro power projects commissioned after 31.03.2024 leads a situation where compliance become impossible as commensurate capacity is not likely to be added. It is further submitted that the stipulation that the Wind RE component shall be met by energy procured from wind power projects commissioned after 31st March 2024 which is not feasible for the Open Access users. Similarly, it will not be feasible for the Open Access users to procure Hydro RE component from Hydro Projects commissioned after 31st March 2024.

With regard to the aforesaid submissions of the stakeholders, we note that the Commission has decided to specify the RPO targets under these Regulations aligning with the RPO targets stipulated under MoP Notification No. 4617 (E) dated 20.10.2023. Further, the MoP Rules 2022 provides for uniform RPO trajectory for all obligated entities under the Distribution Licensee. With consideration of the same, the submission of the stakeholders is not accepted. As regard to the aforesaid difficulties shown by various stakeholders, we are of the view that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard.

12. Some of the stakeholders have suggested that RPO trajectory percentage is very high in comparison to current percentages. The stakeholder suggested to continue with the RPO targets as published vide Regulations, 2010 for the year 2024-25, Or otherwise may permit the rollover in case of obligated entity who is not in a position to fulfil the required quantum of RPO. The stakeholder requested to increase RPO percentage by 5% to 10% from the current level of RPO i.e. from 20.70% for sustainable compliance. The stakeholder requested that the generation from off grid, behind the meter installations should also be qualify for fulfilment of RPO under distributed energy component.

As regard to submission that the RPO stipulated under the Regulations is very high from current stipulation and the increase in RPO may be in range of 5% to 10% from current level is concerned, as recorded earlier, the Commission has decided to specify RPO trajectory aligning with MoP notification dated 20.10.2023 and therefore, the suggestion against the same is not accepted. As regard to suggestion to continue RPO for FY 2024-2025 as per Regulation 2010 (3rd Amendment) is concerned, the Commission has already deliberated and decided the same in the earlier part of this SoR. Further, as regard to the difficulties shown by the Stakeholders, we are of the view that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard.

13. As regard to the suggestion of the stakeholder that the generation from off grid, behind the meter installations should also be qualify for fulfilment of RPO under distributed energy component is concerned, we note that the Regulation 4 of draft Regulations provides that distributed renewable energy component shall be met only from energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configuration notified by the Central Government. The other aspects raised by the stakeholders are different

and distinct than these Regulations and therefore not dealt as part of this SoR.

14. Some of the stakeholders submitted that RPO can be met by consumption of RE or purchase of RECs and RECs are issued based on energy metered at Generator Bus bar. Hence, in order to have level playing field, it is requested the Commission to allow RPO set-off based on RE metered at Generator bus bar.

With regard to the aforesaid submission of the stakeholder, we note that as per the Regulation 4 of these Regulations, the applicable transmission and distribution losses for conveyance of power from the point of purchase/generation to the point of consumption shall be considered as a part of consumption by the obligated entity, while deciding the RPO and its fulfilment. Similarly, the consumption of renewable energy as part of RPO fulfilment shall also include transmission and distribution losses for conveyance of power from the point of purchase/generation to the point of consumption. Hence, no further modification in the Regulation is required.

15. Some of the Stakeholders requested to provide capping of RPO for captive generating plant in line with Ministry of Power Notification dated 01.10.2019. The stakeholder also requested that there shall not be any RPO for Captive consumers having cogenerating plants.

As regard to submission of the stakeholders to provide capping of RPO for captive generating plant in line with Ministry of Power Notification dated 01.10.2019 is concerned, as recorded in earlier part of this SoR, the Green Energy Open Access Rules, 2022 notified by Ministry of Power provides for uniform renewable purchase obligation, on all obligated entities in area of a distribution licensee effective from notification of MoP Rules. The above MoP Rules do not provide for any capping of RPPO on CGPs. The suggestions of the stakeholders are against the applicable Rules notified by MoP and therefore not valid and accepted.

As regard to suggestion of stakeholders that there shall not be any RPO for Captive consumers having cogenerating plants is concerned, it is to clarify that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs as per the provision of National Tariff Policy notified by Ministry of Power on 28.01.2016.

16. Some of the stakeholders requested that the draft Regulations should provide for relevant provisions related to Registration/Accreditation to Open Access consumer by Nodal Agency. Open Access consumer who consumes RE power in excess of RPO requirement should be eligible for issuance of the REC to the extent of excess RE power consumed above the RPO obligation is concerned, it is to be noted that the registration/accreditation to open access consumer, eligibility for issuance

of RECs etc. shall be governed by the applicable Orders/Regulations of the Commission and REC Regulation notified by the CERC as amended from time to time and therefore no further deliberation is required in the matter.

17. We note that some of the stakeholders have submitted to explicitly mention the eligibility of purchase from Hybrid RE under proposed RPO as solar wind hybrid project provides much stability and optimum utilization of the entire transmission infrastructure.

With regard to the above submissions, it is to be noted that the applicable wind-solar hybrid tariff orders of the Commission provide for separate energy metering and energy accounting for energy generated from wind and solar component of wind-solar hybrid projects. Further, we also note that the RPO trajectory specified under these Regulations provides for separate trajectory for different types of RE sources like wind, hydro, other RE category etc. Thus, the energy generated from wind and solar component of wind-solar hybrid projects shall be accounted, measured and considered separately even for the purpose of RPO fulfilment requirement. Therefore, no further modification in the draft Regulations is required.

18. Some of the stakeholders have suggested to use 'total energy purchased' instead of "total energy purchased/ consumed" in the Regulation 4 (2) (i) of these Regulations is concerned, we note that the RPO specified in these

Regulations is to be met as a percentage of total consumption made by obligated entities. The part of energy which is consumed by the obligated entities may not be purchased by such entities but may be generated and consumed by it, say from captive generating plant installed in the consumption premises. Therefore, to work out the RPO obligation, it is provided to consider total energy purchased and/or consumed by the obligated entities from various sources. Therefore, the suggestion of stakeholders is not accepted and accordingly rejected.

19. Some of the stakeholders submitted that the Regulation 4(2)(v) of the Draft Regulations, specifies the treatment of energy banked/ returned by the Distribution Licensee. The process of energy banking would essentially entail certain banking charges / losses. The treatment of such banking charges/losses has not been specified in the regulations.

With regard to the above submission, it is to be noted that the Regulation 5 of the Draft Regulations clearly provides that applicable T&D losses borne by the obligated entities in relation to energy received under banking arrangement shall also be included for computing the quantum of energy procured from each of such RE sources. As regard to specifying banking charges under these Regulations is concerned, it is to clarify that the said aspect is different and distinct and not covered under the scope of these Regulations.

20. Some of the stakeholders submitted that the Commission should direct the Discoms to make a road map for achieving the targets of the RPO's during the financial year, as year, as of now the discom don't have any road map for achieving the targets of RPO. As a result, Discoms approached the Commission to carry forward the shortfall of the RPO and ultimately for waiving off the same. It is also suggested that the Commission should propose a committee of forum who will check the RPO compliance on quarterly basis.

As regard to the suggestion to direct the Discoms to make a road map for achieving the targets of the RPO's during the financial year is concerned, we note that the MYT regulations 2024 notified by the Commission mandate the Discoms to submit details of fulfilment of RPO plan as a part of power procurement plan for the MYT control period and therefore, no modification is required in these Regulations.

21. As regard to the suggestions for implementing strict RPO compliance mechanism on periodical basis is concerned, as recorded earlier the draft Regulations contains adequate provisions with regard to verification and monitoring of RPO compliance of obligated entities including submissions of quarterly details and uploading the same on the website of the obligated entities as well as State agency and filing of RPO compliance Petitions before the Commission after completion of financial year furnishing the

requisite details/information for consideration of the Commission. Hence, no further modification is required in the draft Regulations.

22. In view of the aforementioned deliberation and discussion and to remove certain error/omission and to impart more clarity, the Commission decide to modify the Regulation 4 of the draft Regulations as under:

4. Quantum of Renewable Power Purchase Obligation (RPPO)

(1) The Obligated Entity shall, during each year, purchase or generate and consume such quantum of electricity (in kWh) from renewable sources and storage not less than the quantum of electricity (in kWh), worked out as per Table-1 and Table-2 given below:

TABLE-1

<i>Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption</i>						
<i>Sl. No</i>	<i>Year</i>	<i>Wind renewable energy</i>	<i>Hydro renewable energy</i>	<i>Distributed renewable energy</i>	<i>Other renewable energy</i>	<i>Total renewable energy</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
1.	2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2.	2025-26	1.45%	1.22 %	2.10 %	28.24%	33.01%
3.	2026-27	1.97%	1.34 %	2.70%	29.94%	35.95%
4.	2027-28	2.45%	1.42 %	3.30%	31.64%	38.81%
5.	2028-29	2.95%	1.42 %	3.90%	33.10%	41.36%
	2029-30	3.48%	1.33 %	4.50%	34.02%	43.33%

Note 1: The wind renewable energy component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March 2024.

Note 2: The hydro renewable energy component 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 energy component 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 energy component may also be met from Hydro Power Projects located outside India as approved by the Central Government on a case- to-case basis.

Note 3: *The distributed renewable energy component 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 notified by the Central Government:*

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer 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).

Note 4: *The other renewable energy component may be met by energy produced from any renewable energy power project other than specified in Note 1, 2 and 3 above 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 and energy produced from Biomass, Bagasse Co-Generation Power Projects and MSW based Power Projects etc.*

2. Any shortfall in achievement of stipulated wind renewable energy consumption in a particular year maybe met with hydro renewable energy which

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

3. *The balance excess energy consumption under wind renewable energy or hydro renewable energy component in that year, may be considered as part of other renewable energy component.*
4. *Any excess energy consumption under Other renewable energy component in a particular year, may be utilized to meet the shortfall in achievement of stipulated Wind renewable energy or Hydro renewable energy consumption.*
5. *The obligated entity who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source.*
6. *The specified renewable energy consumption targets shall be met either directly or through Certificate in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India, Extraordinary, Part III, Section 4, dated the 24th May 2022.*

Provided that any shortfall in specified renewable energy consumption targets shall be treated as non-compliance and penalty shall be imposed at such rate specified under sub-section (3) of Section 26 of The Energy Conservation Act, 2001.

- (i) *The following percentage of total energy consumed shall be renewable energy along with/through storage as provided in Table-2 below.*

Table-2

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

(ii) *The Energy Storage Obligation in Table-2 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.*

(iii) *The Energy Storage Obligation to the extent of energy stored from RE sources shall be considered as a part of fulfilment of the total RPPO as mentioned in Table-1 above.*

(iv) *Minimum percentage for Renewable Power Purchase Obligation for each category mentioned in Table-1 above under the Regulation 4, shall have to be met separately subject to the conditions specified in these Regulations.*

(v) *The provisions contained in Regulation 4, unless revised earlier, be applicable in respect of the period upto 31st March, 2030:*

Provided that in case the provisions for the period beyond 31st March 2030 are not specified before the said date, the provisions relating to the year 2029-2030 shall continue to be applicable till the issuance of notification of such provisions for that period.

7. *The consumption of the Obligated Entity shall be computed by taking into account the following, namely:-*

(i) *the total energy purchased/ consumed from various sources, inter alia, including the purchases under Power Purchase Agreement(s), through energy exchanges, and from other projects etc.*

(ii) *the energy consumed (excluding auxiliary consumption) from the power plants, owned exclusively or jointly, by it. This shall include the standby generating set(s) also;*

(iii) the applicable Transmission and Distribution losses (T&D losses for short) for conveyance of power from the point of purchase/generation to the point of consumption in relation to Clause (i) and (ii) shall be considered as part of consumption by the obligated entity while deciding the RPPO and its fulfilment.

(iv) the sale of energy out of the energy so purchased/generated, inter alia, including transmission and distribution losses borne by it for conveyance of power from the point of purchase/generation to the point of such sale, shall be excluded:

Provided that in case it is not feasible to identify such losses separately, the average T&D losses as per Clause (iii) shall be considered.

(v) in case of the banking arrangement(s), the energy banked/returned by the Distribution Licensee shall be considered as sale under Clause (iv) and the energy received shall be treated as purchased under Clause (i) and (iii).

3) Any person/consumer, who consumes power from any source (generation/purchase), interalia, including purchase through Open Access, but other than in his capacity as a consumer of Distribution Licensee or by consumption from a Captive Generating Plant, the RPPOs provided at the Table-1 and storage Obligation at Table-2 under these Regulation shall be applicable in respect of his consumption from such sources, subject to provisions under these Regulations.

Provided that the energy purchased/generated and consumed by Obligated Entity, shall be considered to have been arranged from the sources other than the RE Sources, unless such Obligated Entity establishes

to the satisfaction of the State Agency that such energy was availed from RE Sources.

(3) The Commission may, keeping in view the power supply constraints or other factors beyond the control of the Obligated Entity(ies) or for any cogent reasons, Suo-Moto or at the request of an Obligated Entity, revise the percentage targets or allow inter category adjustment over and above those permissible under Regulation 4 of these Regulations taking into account the non-availability of such renewable energy or RE certificates in respect of any one or more categories of the RPPO, for a year(s) for which Renewable Power Purchase Obligations have been fixed as per Regulation 4 of these Regulations.

(IV) Regulation 5 - Fulfilment of Renewable Power Purchase Obligations (RPPOs)

Proposed in the draft Regulations

(1) Each of the Obligated Entity shall meet, on yearly basis, the RPPOs separately under each of the categories (i.e. for Wind Energy, Hydro Power Purchase (HPO), Distributed Renewable Energy, Other Renewable Energy as well as Renewable Energy along with storage as specified in the Regulation 4 of these Regulations: Provided that the Obligated Entity shall endeavour to meet RPPOs under each category on quarterly basis.

(2) The Obligated Entity may meet its Renewable Power Purchase Obligation (RPPO), as specified in Regulation 4 of these Regulations, from the renewable

sources relevant to respective categories of RPPOs, including the following, namely. –

- (i) purchase of energy from generating stations, based on RE Sources;*
- (ii) purchase of energy from any other person, or any platform facilitating exchange of power, which would arise from RE Sources;*
- (iii) purchase of free power (royalty) of the State Government by the Distribution Licensee depending upon the renewable source from where such free power has arisen subject to the condition and limitation as may be prescribed by the Central Government from time to time;*
- (iv) the energy generated from its own RE Sources, if any; and*
- (v) receipt of energy under banking arrangement(s) which has, as per the agreement(s) arisen from RE Sources:*

Provided that the applicable T&D losses borne by the Obligated Entity in relation to procurement of energy shall also be included for computing the quantum of energy procured for each of such sources:

Provided further that the Obligated Entity may also meet RPPOs by redeeming, wherever permissible, the certificates already held by it:

Provided further that the renewable energy sold, if any, by the Obligated Entity to any other entity out of availability as per Clause (i) to (v) above as well as the T&D losses borne by the Obligated Entity from a point of

purchase/generation to the point of such sale, shall not qualify for offsetting RPPOs:

Provided further the electricity consumed by the Obligated Entity from the projects set up under REC mechanism as per Regulation 10 of these Regulations shall not qualify for offsetting RPPOs:

Provided further that the quantum of electricity consumed by the Consumer/Prosumer through rooftop solar PV system under net metering/net billing/group metering arrangements in any year, shall qualify towards compliance for RPPO of the Distribution Licensee or the Consumer/Prosumer, as the case may be, for that year in accordance with the provisions contained in Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 as amended from time to time.

Provided further that in accordance with Ministry of Power, Govt of India letter no. 23/02/2022-R&R, dated 17.02.2022, the renewable energy consumed for the production of Green Hydrogen / Green Ammonia shall be counted towards RPO compliance of consuming entity. The renewable energy consumed beyond obligation of the producer shall count towards RPPO compliance of the DISCOM in whose area the project is located.

(3) In case the Obligated Entity expects any shortfall in meeting RPPOs of one or more categories in a year, it shall meet such shortfall by procuring

energy, or certificates, from RE Sources based on respective technology (ies) before close of that year:

Provided that the shortfall for a particular category of RPPOs in a year may be offset, to the extent permissible under Table-1 & 2 as provided in Sub-regulation (4) of Regulation 4 of these Regulations, by adjustment of surplus availability under other RPPO category:

Provided further that in case the CERC (REC) Regulations, 2022 or the Procedure made thereunder, provide for inter category convertibility of certificates on the basis of Certificate multipliers such multipliers shall be applicable for offsetting the shortfalls or computing surplus, and shortfall in any RPPO category may be met by purchasing certificates related to Other RPPO categories by suitably applying such Certificate multiplier approved by the Central Commission.

(4) Failure on the part of any Obligated Entity to meet its RPPO in any financial year shall be dealt in accordance with the provisions contained in Regulation 9 of these Regulations.

....."

Comments / suggestions from stakeholders

- (i) Some of the stakeholders submitted that they are exploring various energy storage options to meet the Energy Storage Obligation (ESO) and grid requirements in Gujarat. These include Battery Energy

Storage, Pumped Hydro Storage Projects, and other mechanical storage options and some projects are currently in progress. GUVNL has received various PSP storage capacity proposals from Central PSUs, which GUVNL may consider to meet the ESO. GUVNL requested to consider reduced ESO targets in the initial year while maintaining the 2029-30 target at the 3.5% defined in the draft regulation.

- (ii) Some of the stakeholders submitted that the source of power to be purchased from the exchange is unknown at the time of bidding and purchase for renewable energy (RE) power. The resource type of RE Power procured is available to buyer post-purchase only and therefore submitted that Commission is requested to specify that RE power procured from the Exchange may be utilized to offset the shortfall of RPO in any category.
- (iii) It is further submitted that the Commission may clarify that for consumers not availing banking, any inadvertent energy injected in a 15-minute time block be credited towards the respective DISCOM's RPO. This aligns with Clause 17.6(v) of the GERC Green Energy Open Access Regulations, 2024, which treats surplus unbanked energy as inadvertent and ineligible for RECs by the consumer.

- (iv) It is further submitted that as RPO is based on total annual consumption, which is finalized 5–6 months post financial year, and due to dynamic grid conditions and uncertainties (e.g., RE generation variability, net metering, project delays), accurate shortfall prediction is challenging. Hence, the Commission is requested to allow a 6-month window after the financial year to procure RECs with retrospective effect. Additionally, any excess RECs purchased in anticipation of shortfall may be permitted to offset RPO shortfalls in Q1 and Q2 of the following year to avoid financial strain on DISCOMs.
- (v) Some of the stakeholders submitted that the Ministry of Power in the order dated 20.10.2023 has defined the trajectory for renewable consumption up to FY 2029-30 and allowed fungibility for fulfilment of different RE consumption category. The stakeholder suggested to align the regulation 5(1) of draft Regulations with that of MoP notification dated 20.10.2023. It is suggested that the word '*separately*' shall be omitted to allow fungibility for fulfilment of different RE consumption category.
- (vi) Some of the stakeholders suggested to use 'total energy purchased" instead of "total energy purchased/ consumed".
- (vii) Some of the stakeholders submitted that the trajectory specified for Storage by the Commission needs to be deleted. The stakeholder

suggested that in case of excess RPO achieved by any obligated entity post such revision, the same shall be allowed to be carried forward to future year(s).

- (viii) Some of the stakeholders submitted that the transmission and distribution losses should also be added to the total RE consumption by the obligated entity for the purpose of RPO compliance. Further the consumption from standby DG set should also be excluded from the RPO compliance.
- (ix) Some of the stakeholders submitted that the Renewable Energy consumed beyond obligation of the producer should be permitted to be rolled over to the next year target towards RPPO compliance of the obligated entity and should not be transferred to DISCOM.
- (x) Some of the stakeholders submitted that Banked energy not utilized by the end of the month is considered an inadvertent flow or purchased by the DISCOM without any cost to the DISCOMs. Therefore, it should not be treated as renewable energy compliance. The DISCOMs should not impose banking charges on inadvertent flows or pay consumer normative electricity charges to consider it for renewable energy compliance.
- (xi) Some of the stakeholders submitted that there are many sources as enumerated for meeting RPPO by Obligated entities under para 5(2) but

more often than not marketable quantity is less likely to be available in quantity stipulated. It is therefore very much necessary to provide for a situation of what if not available keeping in view ease of doing business in mind. RECs are available for solar and non-solar at IEX but for other component RECs are not available, hence in this regard appropriate provision be provided in Regulation.

Commission's Analysis and Ruling

1. We note that some of the objectors have submitted that they are exploring various energy storage options to meet the Energy Storage Obligation (ESO) and grid requirements in Gujarat. These include Battery Energy Storage, Pumped Hydro Storage Projects, and other mechanical storage options and some projects are currently in progress which may take some time. Accordingly, it is requested to consider reduced ESO targets in the initial year while maintaining the 2029-30 target at the 3.5% defined in the draft regulation. Some of the stakeholders suggested that the trajectory specified for Storage by Commission needs to be deleted.

We note the aforesaid submission of the stakeholders. The Commission find it appropriate that specifying Energy storage obligation is important for large scale grid integration of infirm RE with grid for ensuring secure grid operation. The energy storage obligation will play pivotal role in managing large scale RE grid integration while ensuring safety and security of grid. Further, the Energy

Storage Obligation specified under the Regulation is in line with MoP Notification No. 09/13/2021-RCM dated 22.07.2022. In regard to the difficulties shown by the Stakeholders, the Commission notes that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard.

Considering these aspects, we do not find merit in the submission of the stakeholders and therefore not accepted by the Commission.

2. We note that the stakeholder submitted that the source of power to be purchased from the exchange is unknown at the time of bidding and purchase for renewable energy (RE) power. The resource type of RE Power procured is available to buyer post-purchase only and therefore submitted that Commission is requested to specify that RE power procured from the Exchange may be utilized to offset the shortfall of RPO in any category. The stakeholders have also submitted that the Ministry of Power in the order dated 20.10.2023 has defined the trajectory for renewable consumption up to FY 2029-30 and allowed fungibility for fulfilment of different RE consumption category. The stakeholder suggested to align the regulation 5(1) of draft Regulations with that of MoP notification dated 20.10.2023. It is suggested that the word 'separately' shall be omitted to allow fungibility for fulfilment of different RE consumption category.

As regard to the suggestions to specify that RE power procured from the Exchange may be utilized to offset the shortfall of RPO in any category is concerned, as recorded earlier, the proviso to the Regulation 5 (3) of these regulations specify that the shortfall for a particular category of RPPOs in a year may be offset, to the extent permissible under Table-1 & 2 as provided in Sub-regulation (4) of Regulation 4 of these Regulations, by adjustment of surplus availability under other RPPO category. Further, 2nd proviso to Regulation 5 (3) clearly provides that in case the CERC (REC) Regulations, 2022 or the Procedure made thereunder, provide for inter category convertibility of certificates on the basis of Certificate multipliers such multipliers shall be applicable for offsetting the shortfalls or computing surplus, and shortfall in any RPPO category may be met by purchasing certificates related to Other RPPO categories by suitably applying such Certificate multiplier approved by the Central Commission. It is also to be noted that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard. Thus, the concerns raised by the stakeholders are already taken care in the draft Regulations and therefore no further deliberation/modification is required.

3. As regard to the submission of the stakeholders that the Ministry of Power in the order dated 20.10.2023 has defined the trajectory for renewable consumption up to FY 2029-30 and allowed fungibility for fulfilment of different

RE consumption category and requested to align the regulation 5(1) of draft Regulations with that of MoP notification dated 20.10.2023 by removing the word 'separately' from Regulation 5 (1) is concerned, we note that the MoP notification dated 20.10.2023 stipulates separate RPO trajectory for different RE category namely wind RE, Hydro RE, Distributed RE and Other RE. Therefore, it is not correct to state that in the aforesaid MoP notification dated 20.10.2023, composite RPO trajectory is specified and there is no need to meet RPO trajectory under individual RE category. As per the stipulation of MoP Notification and provision of these Regulations, the RPO trajectory specified under different RE category need to be fulfilled separately and as recorded earlier, interchangeability of RPO amongst different RE category are allowed subject to provisions of aforesaid MoP notification as well as provisions of these Regulations. Therefore, the Commission do not find any merit in the submission of the stakeholder to omit the word 'separately' from the Regulations 5 (2) and therefore not accepted.

4. We note that some of the stakeholders have submitted to clarify that in case of consumers not availing banking facility, any inadvertent energy injected in a 15-minute time block be credited towards the respective DISCOM's RPO. This is in alignment with Clause 17.6(v) of the GERC Energy Open Access Regulations, 2024, which treats surplus unbanked energy as inadvertent and ineligible for RECs by the consumer.

The Commission has noted the submission made by stakeholders. The aforesaid issue is pertaining to energy accounting methodology and treatment of inadvertent energy thereof, it shall be governed by the relevant regulations/Orders of the Commission. As such, the issue does not fall within the scope of the present Regulations and therefore, does not require any consideration in this proceeding.

Some of the stakeholders have submitted that the RPO compliance is to be met on total annual consumption basis, which can be finalized 5–6 months post completion of financial year, and due to dynamic grid conditions and uncertainties (e.g., RE generation variability, net metering, project delays), accurate shortfall prediction is challenging. Hence, it is requested to the Commission to allow a 6-month window after the completion of financial year to procure RECs with retrospective effect. Additionally, any excess RECs purchased in anticipation of shortfall may be permitted to offset RPO shortfalls in Q1 and Q2 of the following year to avoid financial strain on DISCOMs.

As regard to the aforesaid suggestion of the stakeholder the Commission notes that as per the provisions of these Regulations read with MoP Notification dated 20.10.2023, the obligated entities are required to fulfil specified RPO during each year. Further, it is to be noted that whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and the provisions of these Regulations in this

regard. The Regulations also provide that where the Commission has consented to carry forward of compliance requirement, the provisions of Sub-regulation (1) of these Regulations or the provisions of Section 142 of the Act shall not be invoked. Considering the aforesaid aspects, the suggestion that the RPO of previous year may be allowed to be met within six months from completion of previous financial year is not accepted and rejected.

6. Some of the stakeholders suggested that in case of excess RPO achieved by any entity post such revision, the same shall be allowed to be carried forward to future year(s) is concerned, we note that the Regulations specify the minimum quantum of purchase from renewable energy sources for meeting RPO trajectory stipulated under these Regulations and the obligated entities are not restrained from renewable purchase in excess of specified minimum RPO targets. Accordingly, suggestion of the stakeholder to allow carry forward of excess RPO in subsequent year is without any merit and therefore not accepted.

7. As regard to the submission of the stakeholders that the consumption from standby DG set should also be excluded from the RPO compliance is concerned, it is to be noted that the Regulation 3 (c) of the draft Regulations already provides that the consumption of energy from captive generating plant based on conventional technologies with installed capacity exceeding 100 kW set up for meeting his standby (emergency backup) requirements or otherwise, are only considered for computation of RPO obligation of obligated entities who are not designated consumers under the provisions of Energy Conservation Act,

2001. We note that in respect of designated consumers as defined under Energy Conservation Act, 2001, there is no such exemption/dispensation available to such designated consumers. The Regulations provides ample clarity on this aspects and therefore, no further modifications is required.

8. Some of the stakeholders have submitted that Banked energy not utilized by the end of the month is considered an inadvertent flow or purchased by the DISCOM without any cost to the DISCOM. Therefore, it should not be treated as renewable energy compliance and DISCOM should not impose banking charges on inadvertent flows or pay consumer normative electricity charges to consider it for renewable energy compliance, is concerned, we note that these aspects are related to energy accounting mechanism for the green energy sourced by the consumers and shall be governed by the provisions of relevant Regulations/Orders of the Commission. Since the matter is not subject matter of present proceedings, no further deliberation is required.

(V) Regulation 6 - Certificates under the Regulations of the Central Commission

Proposed in the draft Regulations

(1) *Subject to the terms and conditions contained in these Regulations, the Certificates issued under the CERC (REC) Regulations, 2022 and CERC (REC) Regulations, 2010 shall be the valid instruments for the discharge of RPPO.*

(2) *Further, subject to the provisions of these Regulations and directions as the*

Commission may give from time to time, the Obligated Entity as well as the State Agency shall act in accordance with the CERC (REC) Regulations, 2022 and CERC (REC) Regulations, 2010 in regard to matter relating to the REC Certificates for fulfilment of RPPO.

- (3) *The details of Certificates, along with its source, purchased by the Obligated Entities from the Power Exchanges or through Electricity Traders, in terms of the Regulations of the Central Commission mentioned in Sub-regulation (1), shall be submitted to the State Agency.*
- (4) *The Obligated Entity shall be eligible to apply for the certificates, in accordance with the provisions of CERC REC Regulations, 2022 read with Procedure framed thereunder and these Regulations as well as the directions, if any, issued by the Commission, for such part of energy purchased/generated from the RE Sources of respective RPPO category which remains unadjusted/unsold in the year.*
- (5) *The purchaser/user of electricity shall be exclusively entitled for offsetting the RPPO and getting RECs for surpluses, if any, purchase of renewable energy, other than the purchases under REC mechanism.*
- (6) *On application by the Obligated Entity for issuance of certificate, the State Agency shall, after satisfying itself, about the entitlement of that Obligated Entity initiate the process with regard to the accreditation of the Obligated Entity for issuance of certificates.*
- (7) *Renewable energy generator selling power to the Distribution Licensee under Power Purchase Agreement(s), other than those under REC mechanism, shall*

not be eligible for accreditation under the REC mechanism for issuance of Renewable Energy Certificates (hereinafter to be referred as "RECs") in respect of the renewable energy against which the distribution licensee is eligible to offset its RPPOs.

- (8) *The State Agency and the other concerned agency(ies) shall ensure that no permission is accorded under REC mechanism in favour of any renewable energy generator for accreditation under REC mechanism and also for issuance of RECs in respect of the energy for which they are not eligible for such accreditation as per the Sub-regulation (7) of this Regulation.*
- (9) *The State Agency and the other concerned agency(ies) before according any permission, in favour of Renewable Energy Generator, for accreditation as well as issuance of RECs, shall also require to see that such generator has provided a Certificate from the concerned entity, to whom such generator is selling or otherwise, supplying energy from its Renewable Energy project, to the extent that such energy has not been/ shall not be, adjusted for offsetting the RPPOs for getting Certificate as per the provisions of these Regulations.*

Comments / suggestions from stakeholders

- (i) Some of the Stakeholders submitted that the CERC has notified (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 wherein a common REC is issued to the Generating Stations irrespective of source of generation. It is suggested that the requirement of submission of details of renewable

energy source in certificate for the purpose of RPPO compliance as mentioned in Regulation 6(3) of draft Regulations shall be omitted.

- (ii) GUVNL submitted that it is tying-up and allocating the power on behalf of state DISCOMS and requested to specify that GUVNL on behalf of State DISCOMS will be entitled for offsetting the RPPO and getting RECs for surpluses, if any, purchase of renewable energy, other than the purchases under REC mechanism.

Commission's Analysis and Ruling

(1) We note that some of the stakeholders submitted that the CERC has notified (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations,2022 wherein a common REC is issued to the Generating Stations irrespective of source of generation. It is suggested that the requirement of submission of details of renewable energy source in certificate for the purpose of RPPO compliance as mentioned in Regulation 6(3) of draft Regulations shall be omitted. As regard to aforesaid suggestions is concerned, as noted in earlier part of this SoR the Regulation 5 (3) of these Regulations already provides that in case the CERC (REC) Regulations, 2022 or the Procedure made thereunder, provide for inter category convertibility of certificates on the basis of Certificate multipliers such multipliers shall be

applicable for offsetting the shortfalls or computing surplus, and shortfall in any RPPO category may be met by purchasing certificates related to Other RPPO categories by suitably applying such Certificate multiplier approved by the Central Commission. Further, whenever the obligated entity approach to the Commission for compliance of RPO status and show difficulties faced by them, the same will be dealt with by the Commission with consideration of facts and circumstances of the case and provisions of these Regulations in this regard including to allow inter category adjustment over and above those permissible under Regulation 4 of these Regulations taking into account the non- availability of such renewable energy or RE certificates in respect of any one or more categories of the RPPO, for a year(s) for which Renewable Power Purchase Obligations have been fixed as per Regulation 4 of these Regulations.

Thus, the provisions of Draft Regulations are adequate to address the concerns of the stakeholders and therefore no further modifications are required in these Regulations.

(2) The submission of the Stakeholder that it is tying-up and allocating the power on behalf of State DISCOMs and requested to specify that GUVNL on behalf of State DISCOMs will be entitled for off-setting the RPPO and getting RECs for surpluses, if any, purchase of renewable

energy, other than the purchases under REC mechanism, is concerned, we note that the Regulation mandates for meeting of specified RPO targets by the obligated entities and consequences of default in case of failure to meet RPO targets specified under these Regulations. The obligated entities or agencies nominated by them may manage their affairs in a manner to comply the RPO trajectory specified under these Regulations. Therefore, no further clarification/deliberation is required in the matter.

(VI) Regulation 7 - State Agency

Proposed in draft Regulations

The Gujarat Energy Development Agency, Government of Gujarat shall be the State Agency for the purpose of CERC (REC) Regulations, 2022 and these Regulations to cater the State specific issues without prejudice to the power and functions conferred under CERC (REC) Regulations, 2022:

Provided that the Commission may designate any other agency as State Agency after satisfying itself that such agency has a required capability of performing its functions provided under these Regulations and CERC (REC) Regulations, 2022 or procedure framed by the Central Agency under CERC REC Regulations, 2022.

(1) The State Agency shall function as per the provisions of CERC (REC) Regulations, 2022 including the procedures framed under it, read with

these Regulations and directions, if any, issued by the Commission from time to time.

(2) Development of web portal for monitoring of RPPO:

(i) The State Agency shall, in consultation with the Commission, develop and maintain RPPO Web- portal for registration by the Obligated Entities and for the compliance, monitoring and reporting etc. of RPPOs and simultaneously formulate suitable Procedures for smooth functioning of Web-portal in relation to such activities.

(ii) The State Agency shall, after the RPPO web-portal is developed and Procedures are formulated under Clause (i), through public notices, declare the Web-portal to be operative:

Provided that such development shall be suitably coordinated with the facility available/planned under the National Web-portal developed for the purpose.

(3) RPPO compliance reporting:

(i) The State Agency shall, submit on quarterly as well as yearly basis status report to the Commission in respect of compliance of renewable power purchase obligation by the Obligated Entity(ies) in the format at Appendix -1 of these Regulations. The reporting format may be modified by the Commission from time to time.

(ii) The State Agency may also recommend appropriate action to the

Commission, if required, for compliance of the Renewable Power Purchase Obligation.

(4) The Commission may from time to time fix the remuneration and charges payable to the State Agency for discharge of its functions under these Regulations and CERC (REC) Regulations, 2022.

Comments / suggestions from stakeholders

- (i) Some of the stakeholders suggested for penalty provision for non-adherence to such timelines by the entities for data reporting. The state agency should also make data in the public domain published through their website.

Commission's Analysis and Ruling

1. As regard to the suggestion of the stakeholders to provide for penalty provision for non-adherence of timelines by the obligated entities for RPO data reporting is concerned, we note that as per the Regulation 7 of the Draft Regulations, the State Agency in consultation with the Commission is required to develop and maintain RPO web portal for registration by the obligated entities and for compliance, monitoring and reporting of RPO etc. Further, the Regulation 7 (4) (2) empowers the State Agency to recommend appropriate action to the Commission for compliance of RPO by obligated entities. Thus, the provision of the draft Regulations allows State agency to recommend suitable action against defaulted obligated entities and therefore, no further modification is required in the Draft Regulations.

2. As regard to stakeholders' submission that the state agency should also make data in the public domain through their website is concerned, we note that the Regulation 9 of Draft Regulations provides that the obligated entities shall upload the details of renewable energy purchase and status of RPO compliance on quarterly basis on its website. Further, the State Nodal Agency shall also upload the RPO compliance details submitted by the obligated entities on its website. Thus, no further modifications are required in the draft Regulations.

(VII) Regulation 8 - Registration and reporting by the Obligated Entities.

Proposed in draft Regulations

(1) The Obligated Entities, including those already registered off line with the State Agency, shall mandatorily register themselves online on RPPO Web-portal within three months from the date on which the RPPO Web-portal is declared, under Clause (ii) of Sub-regulation (3) of Regulation 7 to be operative, or from the date on which the entity qualifies for being an Obligated Entity under these Regulations, whichever is later, and shall also furnish requisite information, on quarterly and annual basis as per the Procedure formulated by the State Agency under Clause (i) of Sub-regulation (3) of Regulation 7.

(2) The Obligated Entity shall have the exclusive right to adjust, in any sequence, the energy consumed by it from RE Sources, as per Sub-

regulation (2) of Regulation 5 of these Regulations for meeting its RPPOs for relevant category and also for getting certificates for the surplus procurement of renewable energy, if any, after offsetting the RPPOs.

(3) The Obligated Entities shall submit, online, necessary details, duly taking into account the provisions specified under Regulations 4 and 5 of these Regulations, regarding total consumption of electricity, power purchased from RE Sources or Renewable Energy Certificate(s) procured and the shortfall, or surpluses as the case may be, in meeting the RPPOs along with the reasons for shortfalls, if any, and the plans for fulfilment of RPPO as well as any other information as the State Agency may require, on quarterly basis before the end of the sixth week of the succeeding quarter and annual consolidated report on or before the 15th May of the succeeding year:

Provided that till such time the RPPO Web-portal becomes fully operative under Clause (ii) of Sub-regulations (3) of Regulation 7, such information shall be submitted in physical form to the State Agency.

(4) The State Agency shall get the data submitted as per Regulation (2) and (3) of these Regulation, to it by the Obligated Entities, other than the Distribution Licensee and get it verified from the appropriate authorities viz the Nodal Agency in case of Open Access Consumers and the officers designated by the Distribution Licensee in case of co-located

Captive Consumers:

Provided that the Commission, if it finds appropriate from submissions of the details from the State Agency, may, also appoint the third-party agency, for verification of the details provided by the Obligated Entities.

(5) Save as provided in Sub-regulations (2), (3) and (4) of these Regulation, the Distribution Licensee shall also indicate, along with sufficient proof thereof, the estimated quantum of purchase from RE Sources, relevant to each category of RPPOs, for the ensuing year(s) in MYT tariff/ ARR petition in accordance with Regulations made by the Commission. The estimated quantum of purchase shall duly take into account the provisions of Regulation 4 of these Regulations.

(6) The State Agency shall host the status of RPPO compliance by the Obligated Entities, as per Clause of Sub-regulation (4) of Regulation 7 on its website.

Comments / suggestions from stakeholders

- (i) Some of the stakeholders submitted that the Commission is requested to mandate Distribution Licensees to submit their compliance data to the State Agency as a common nodal agency for ensuring compliance with renewable purchase obligations. Distribution Licensees will submit details through their ARR/APR filing, while other Obligated Entities are required to fill a petition with the Commission.

- (ii) Some of the stakeholders submitted that Regulation 7 pertains to State Agency, and the provision regarding Distribution Licensee's MYT Tariff/ARR filing and RPO estimates is not relevant. It is requested to delete provision as Regulation 108 of GERC MYT Regulations, 2024 provides detailed guidelines for power procurement plan of distribution licensee.
- (iii) Some of the stakeholders suggested that the Draft Regulations propose high RPPO targets, requiring GETCO and GEDA to share transmission capacity and reliability information on their websites for Obligated Entities. Additionally, they should file a quarterly Return to the Commission stating the availability of RE power capacity in the State, which could be beneficial for the organization's operations.
- (iv) Some of the stakeholders submitted that the Commission is requested to permit the GUVNL on behalf of the State Discoms namely DGVCL, MGVCL, PGVCL and UGVCL to register on the proposed portal to be developed by the State Agency and furnish requisite information, on quarterly and annual basis as per the Procedure formulated by the State Agency under Clause (i) of Sub-regulation (3) of Regulation 7.
- (v) It is further submitted that as GUVNL is tying up and allocating the power on behalf of State Discoms, the Commission is requested to specify GUVNL

on behalf of State Discoms will be entitled to specify estimated quantum of purchase from RE sources.

Commission's Analysis and Ruling

1. As regard to submission of some of the stakeholders to mandate Distribution Licensees to submit their compliance data to the State Agency as a common nodal agency for ensuring compliance with renewable purchase obligations and Distribution Licensees will submit details through their ARR/APR filing, while other Obligated Entities will file a petition before the Commission, is concerned, we note that Regulation 7 (4) (i) provides that the State Agency shall submit quarterly as well as yearly RPO compliance report to the Commission. Whereas, Regulation 8 (4) of the Draft Regulations inter-alia provides that the State Agency shall get the RPO compliance data of obligated entities, other than distribution licensees, verified from the appropriate authorities viz. nodal agency in case of Open Access consumers and the officers designated by the distribution licensees in case of co-located captive consumers. Further, the Regulation 8 (5) provides that the distribution licensee shall also indicate the estimated quantum of RE purchase relevant to each category of RPOs in the MYT Tariff/ARR Petitions in accordance with the Regulations made by the Commission.

Thus, as per the provisions of Draft Regulations, the State Nodal Agency is required to submit quarterly as well as yearly basis RPO compliance report to

the Commission received from obligated entities. Further, the State Nodal Agency is entrusted the responsibility to get the RPO data of obligated entities, other than distribution licensees, verified from the appropriate authorities. Moreover, distribution licensee is required to indicate the estimated quantum of RE purchase relevant to each category of RPOs in the MYT Tariff/ARR Petitions in accordance with the Regulations made by the Commission. Thus, the draft regulations adequately cover the suggestions made by the stakeholders and therefore no further modification is required in the Draft Regulations.

2. We note that GUVNL has submitted that the Commission is requested to permit the GUVNL on behalf of the State Discoms namely DGVCL, MGVCL, PGVCL and UGVCL to register on the proposed portal to be developed by the State Agency and furnish requisite information, on quarterly and annual basis as per the Procedure formulated by the State Agency under Clause (i) of Sub-regulation (3) of Regulation 7.

With regard to the above submission, as recorded in earlier part of this SoR the Regulation mandates for meeting of specified RPO targets by the obligated entities and consequences of default in case of failure to meet RPO targets specified under these Regulations. The obligated entities or agencies nominated by them may manage their affairs in a manner to comply the RPO trajectory specified under these Regulations. Therefore, no further clarification/deliberation is required in the matter.

(VIII) Regulation 9 – Compliance and Monitoring

Proposed in draft Regulations

The Obligated Entities who are procuring/consuming electricity from sources other than renewable energy sources having capacity of above 1 MW shall require to file a Petition before the Commission after completion of respective financial year providing the details of the Renewable Purchase Obligation fulfilled by them in compliance to the provisions of these Regulations prior to 30th June of the succeeding financial year. The Obligated Entities shall also require to provide the details for compliance of RPPO in specified format which are part of these Regulations provided in Appendix-1 on quarterly basis. Such format shall be revised by the Commission from time to time as per requirement.

Provided that in case of the Obligated Entity procuring/consuming power below 1 MW from sources other than renewable energy sources, shall provide the details of RPPO compliance by them to the State Agency. In such case, the State Agency shall require to file RPPO compliance Petition before the Commission on completion of respective financial year providing the details of the Renewable Purchase Obligation fulfilled by such Obligated Entities in compliance to the provisions of these Regulations prior to 30th June of the succeeding financial year.

Provided further that the Obligated Entity(ies) shall upload the details of Renewable Energy Purchase and status of RPO Compliance on quarterly basis on

its website. The State Nodal Agency shall also upload the RPO Compliance details submitted by the Obligated Entity(ies) on its Website.

Comments / suggestions from stakeholders

- (i) The stakeholder GUVNL submitted that, on behalf of State DISCOMS, will be entitled to file a petition after the completion of the financial year, detailing the Renewable Purchase Obligation fulfilled by its DISCOMs, DGVCL/MGVCL/PGVCL/UGVCL.
- (ii) Some of the stakeholders submitted that the provision of filing petition for 1 MW capacity Obligated Entity (OE) is unworkable due to the state commission's large backlog of undecided petitions for over a decade. Moreover, compelling large number of Industrial units filing of petitions before the commission for such a small matter, even when the requirements are compiled and compliance reported, goes totally against principle of Ease of doing business in letter and spirit.
- (iii) Some of the stakeholders submitted that compliance or otherwise reporting of RPPO data to GEDA annually, GEDA should examine such data and in the cases of non-compliance should bring it to the notice of GERC so that GERC can initiate Suo-motu proceedings for noncompliance against defaulting obligated entities. The entities should not be made to file Petitions on their own in this regard.

- (iv) Some of the stakeholders have submitted that the RPO Compliance data verification is important task for data reporting and should be a public process, independent of true-up or tariff determination processes. The Commission should incorporate clear, annual verification timelines, aiming for completion within 180 days. Verified data for each Obligated Entity should be published in the public domain within 15 days of completion of verification process.
- (v) Some of the stakeholders submitted that to ensure the effectiveness of the RPO framework, PEG emphasizes the need for robust enforcement, especially with regard to Captive and Open Access (OA) consumers, whose compliance has historically been inconsistent. It is recommended that the Commission institute a transparent reporting and monitoring system that includes the annual publication of compliance status for each obligated entity. Further, penalties for non-compliance should be enforced as per the provisions of the Electricity Act, 2003 and such penalties should not be waivable except in exceptional, justified circumstances. A strong compliance regime would enhance credibility, promote fairness among all market participants, and prevent free-riding.

Commission's Analysis and Ruling

1. We note that some of the stakeholders submitted that the provision of filing petition by Obligated Entity (OE) for 1 MW capacity is unworkable due to the State commission's large backlog of undecided petitions for over a

decade. Moreover, compelling large number of Industrial units filing of petitions before the commission for such a small matter, even when the requirements are compiled and compliance reported, goes totally against principle of Ease of doing business in letter and spirit. Some of the stakeholders suggested that compliance or otherwise reporting of RPPO data to GEDA annually, GEDA should examine such data and in the cases of non-compliance should bring it to the notice of GERC so that GERC can initiate Suo-motu proceedings for non-compliance against defaulting entities. The obligated entities should not be made to file Petitions on their own in this regard.

The Commission noted the aforesaid suggestion of the stakeholder. It is to be noted that the Regulation 9 provides that the obligated entities who are procuring/consuming electricity from sources other than renewable energy sources having capacity of above 1 MW are required to file Petition before the Commission providing details of RPO fulfilled by them. Thus, the Regulation covers only those bulk consumers as obligated entity who are consuming/procuring electricity from sources other than RE sources and other than distribution licensees. The consumption/purchase of electricity by such consumers will involve multiple sources like purchase from Distribution Licensees, purchase/consumption from RE sources, consumption through Open Access from conventional sources and/or consumption from captive power plant based on conventional sources etc. This shall require detailed analysis to verify the compliance of RPO by such

obligated entities. Therefore, in order to enforce RPO compliance in its true spirit, such obligated entities are required to furnish complete details to the Commission by filing the appropriate Petition to verify the RPO compliance. In case of obligated entities procuring/consuming power below 1 MW from sources other than RE sources are required to provide RPO compliance details to State Agency and in that case the State Agency are required to file RPO compliance Petition before the Commission. Thus, the draft regulations have carefully specified the consumers who are required to file RPO compliance Petition before the Commission and consumers who are required to submit the RPO compliance details to State Agency who in turn shall file RPO compliance petition before the Commission. Hence, the suggestion of the stakeholders is not accepted and rejected accordingly.

2. Some of the stakeholders have submitted that the RPO Compliance data verification is important task for data reporting and should be a public process, independent of true-up or tariff determination processes. The Commission should incorporate clear, annual verification timelines, aiming for completion within 180 days. Verified data for each Obligated Entity should be published in the public domain within 15 days of completion of verification process.

As regard to the above suggestions of the stakeholders is concerned, we note that the draft regulations provide for filing of RPO compliance petition

before the Commission by the Obligated entities consuming/procuring electricity above 1 MW from other than RE sources, whereas in case of other obligated entities, the State Agency is required to file RPO compliance Petition before the Commission by prior to 30th June of succeeding financial year. Thus, the Regulation provides for verification of RPO compliance of the obligated entities as a part of judicial function of this Commission by passing appropriate Orders in the matter. Thus, the draft Regulation incorporate adequate provisions in relation to verification of compliance of RPO of the obligated entities by the Commission in a transparent manner and therefore, no further modification is required in the Draft Regulations.

3. Some of the stakeholders submitted that to ensure the effectiveness of the RPO framework, there is need for robust enforcement, especially with regard to Captive and Open Access (OA) consumers, whose compliance has historically been inconsistent. It is suggested that the Commission should institute a transparent reporting and monitoring system that includes the annual publication of compliance status for each obligated entity. Further, penalties for non-compliance should be enforced as per the provisions of the Electricity Act 2003 and such penalties should not be waivable except in exceptional, justified circumstances.

With regard to the above suggestion the Commission notes that the Regulation 9 of these Draft Regulations provides that the obligated entities who are procuring/consuming electricity from sources other than

Renewable energy sources having capacity of above 1 MW shall require to file Petition before the Commission after completion of respective financial year providing details of the Renewable Purchase Obligation fulfilled by them in compliance to the provisions of these Regulations prior to 30th June of succeeding financial year. Further, the obligated entities shall also require to provide RPO compliance details in the format provided at Appendix - I of these Regulations on quarterly basis. In case of obligated entities who are procuring/consuming electricity from sources other than Renewable energy sources having capacity of above 1 MW shall require to provide aforesaid details to the State Agency and in such case State Agency are required to file RPO compliance petition before the Commission. We also note that the Regulation 10 of Draft Regulations specifies the additional penalty provision for non-compliance of RPO stipulated under these Regulations. Further, Draft Regulation mandate the obligated entities and State Agency to upload the details of RPO compliance on quarterly basis on its website.

The Commission observe that the provisions made in the Draft Regulations for verification and monitoring mechanism of RPO compliance is adequate to achieve the overall objective of the Electricity Act, 2003 i.e. promotion of generation and consumption of renewable energy in the State and therefore, no further modification is required in the Regulations.

(IX)Regulation 10 - Consequence of Default

Proposed in the Regulations

(1) Where, during any year, the Obligated Entity does not fulfil the Renewable Purchase Obligation as provided in these Regulations and also does not purchase the certificates, the Commission may direct the Obligated Entity to pay the additional penalty for shortfall in specified renewable energy consumption targets as per Ministry of Power Notification No. S.O. 4617(E) dated 20th October, 2023 stated below:

As per sub-section (3) of Section: 26 of The Energy Conservation Act (in terms of twice TOE value)

- 1. 1 TOE = 11,630 KWh,*
- 2. Value of 1 TOE: INR 21,650.00 (As per MoP Gazette Notification dated 26.12.2023),*
- 3. Penalty per 1 unit (KWh) of unmet RP01:
 $2 \times \text{INR } 21,650 / 11,630 \text{ KWh} = \text{INR } 3.72$ (Rounded off)*

The penalty amount as the Commission may determine on the basis of the shortfall in units of RP01, be deposited into a separate fund, to be created and maintained by such Obligated Entity or State Agency as the case may be.

Provided that the fund so created shall be utilized, as may be directed by the Commission partly for purchase of the certificates and partly for development

of transmission/sub-transmission infrastructure for evacuation of power from generating stations based on RE Sources:

Provided further that the Obligated Entities shall not be authorized to use the fund created in pursuance of these Regulations without prior approval of the Commission:

Provided also that the Commission may empower an officer of the State Agency to procure from the Power Exchange(s) or through Electricity Traders the required number of certificates to the extent of the shortfall in the fulfilment of the obligations, out of the amount available in the fund.

(2) Where any Obligated Entity fails to furnish requisite information, as provided under Regulation 8, or fails to comply with the obligation to purchase the required percentage of energy from RE Sources as provided under these Regulations or fails to purchase the Renewable Energy Certificates, it shall be liable for penalty as may be imposed by the Commission under Section 142 of the Act:

Provided that in case of genuine difficulty in complying with the Renewable Power Purchase Obligation because of non-availability of certificates, the Obligated Entity may approach, the Commission along with complete detail for carry forward of shortfall in the RPPO as per Sub- regulation (3) of Regulation 5 of these Regulations:

Provided further that where the Commission has consented to carry forward of compliance requirement, the provisions of Sub-regulation (1) of these Regulations or the provisions of Section 142 of the Act shall not be invoked.

Comments / suggestions from stakeholders

- (i) Some of the stakeholders submitted that the quantum of penalty viz. 200 % is very high and not justified particularly looking at the present scenario of precarious situation of availability of diverse RE power. It is therefore necessary to reduce it and rationalized.
- (ii) Some of the stakeholders requested that the Commission to reinstate current Renewable Power Obligation (RPO) Regulations, entities are permitted to roll over the RPO. The stakeholder requested the Commission to allow rollover for a period of at least 3 years to enable obligated entity to fulfill the RPO obligation by setting up the new Renewable Energy Projects. If the entity fails to meet with the RPO compliance even after roll over period of 3 years, then the penalty may be imposed as proposed, but maximum penalty should be restricted to REC price.
- (iii) Some of the stakeholders submitted that the value of TOE may change based on future MOP notifications, so it is suggested not to specify a specific value for TOR in INR and specify that the same shall be as notified by the MOP from time to time. This will ensure that the penal cost is reflective of the actual prevailing framework. It is submitted that the RE based generating stations including captive plants are

also connected to the distribution licensee's network. Accordingly, it is requested to permit utilization of the fund towards distribution infrastructure as well.

(iv) Some of the stakeholders submitted that the penalty deposit fund should be created and maintained by state agencies, not Obligated Entities. Transparency about the penalty process, its imposition, collection, and utilization should be maintained. The Commission should mention the amount of penalty imposed in separate orders for RPO proceedings and monitor the obligated entity's compliance with proposed timelines.

(v) Some of the stakeholders submitted that if the Obligated Entity fails to meet the RPPO and purchase certificates within a year, the Commission may impose an additional penalty, which is exorbitant and doubles the current REC forbearance price. The additional penalty of Rs. 3.72 per unit (KWh) is deemed exorbitant and should be removed or reduced accordingly.

(vi) Some of the stakeholders submitted that it is requested to consider and revise in para Regulation 10. Consequence of Default, sub Regulation 2 as under:

"Provided that in case of genuine difficulty in complying with the Renewable Power Purchase Obligation because of non-availability of certificates, the Obligated Entity may approach, the Commission along with complete detail for carry forward of shortfall in the RPPO as per Sub-regulation (3) of Regulation 5 of these Regulations or for revision of the percentage targets or allow inter category adjustment over and

above those permissible under Regulation 4 as per Sub-Regulation (4) of Regulation 4."

Commission's Analysis and Ruling

1. Some of the stakeholders have submitted that the quantum of penalty viz. 200 % is very high and not justified particularly looking at the present scenario of precarious situation of availability of diverse RE power. It is therefore necessary to reduce it and rationalized.

The Commission has noted the suggestion of the stakeholders. The Regulation 10 of the draft Regulations provides that the Commission may direct the obligated entities to pay additional penalty for shortfall in specified RPO targets as per Ministry of Power Notification from time to time. Thus, the penalty provision for shortfall in RPO compliance is incorporated in the Regulation in line with MoP notification and the Commission do not find any merit in suggestion of the stakeholders to modify the same.

As regard to the submission of the stakeholder raising concern about availability of different RE sources to fulfill RPO under different RE category is concerned, we note that the draft Regulation contains adequate provisions to deal with such exceptional situations of supply constraints, or other factors beyond the control of the obligated entities. Therefore, the Commission do not find any merit in submission of the stakeholder.

2. Some of the stakeholders have requested that the Commission to reinstate current Renewable Power Obligation (RPO) Regulations, entities are permitted to

roll over the RPO. The stakeholder requested the Commission to allow rollover for a period of at least 3 years to enable obligated entity to fulfill the RPO obligation by setting up the new Renewable Energy Projects. If the entity fails to meet with the RPO compliance even after roll over period of 3 years, then the penalty may be imposed as proposed, but maximum penalty should be restricted to REC price.

The aforesaid suggestion of the stakeholders are already discussed, deliberated earlier and therefore not reiterated.

3. Some of the stakeholders submitted that the value of TOE may change based on future MOP notifications, so it is suggested not to specify a specific value for TOE in INR and specify that the same shall be as notified by the MOP from time to time. This will ensure that the penal cost is reflective of the actual prevailing framework. It is submitted that the RE based generating stations including captive plants are also connected to the distribution licensee's network. Accordingly, it is requested to permit utilization of the fund towards distribution infrastructure as well.

The Commission finds merit in the suggestion of the stakeholders that the value of TOE may change based on future MOP notifications, therefore instead of specifying a specific value for TOE in INR, it would be appropriate to provide that the value of TOE in India Rs. shall be as notified by the MOP from time to time.

The necessary modifications are incorporated in the Draft Regulations accordingly.

As regard to submission that the fund so created from penalty amount of non-compliance of RPO may also be allowed to utilize towards distribution infrastructure in addition to development of transmission/sub-transmission infrastructure as RE based generating stations including captive plants are also connected to the distribution licensee's network, is concerned, we note that the Draft Regulations provides that the fund so created from penalty amount shall be utilized as may be directed by the Commission partly for purchase of Certificates and partly for development of transmission/sub-transmission infrastructure for evacuation of power from generating station based RE sources so as to allow large scale integration of RE sources with grid and also ensuring safe and reliable power system operation. Considering these aspects the Draft Regulations carefully provides for manner of utilization of penalty fund and therefore, the Commission do not find any merit for modifying the same.

4. Some of the stakeholders have suggested that the penalty deposit fund should be created and maintained by state agencies, not Obligated Entities. Further, transparency about the penalty process, its imposition, collection, and utilization should be maintained. The Commission should mention the amount of penalty imposed in separate orders for RPO proceedings and monitor the entity's compliance with proposed timelines.

As regard to the aforesaid suggestion of the stakeholders is concerned, we note that the Draft Regulations provides that the penalty amount as Commission may determine on the basis of shortfall in units of RPO, be deposited in to a separate fund, to be created and maintained by such obligated entities or State agency as a case may be. Further, the Draft Regulations provides for manner in which the penalty fund should be utilised as per the direction of the Commission. The draft Regulations also provides that obligated entities shall not be authorised to use fund created in pursuance of these Regulations without prior approval of the Commission. The Draft Regulations further provides that the Commission may empowers an officer of State Agency to procure from Power Exchange or through Electricity Traders the required number of certificates to the extent of shortfall in fulfilment of obligations, out of the amount available in the fund.

Thus, the Commission feels that the provisions in the draft Regulations with regard to deposition of penalty by defaulted obligated entities, its utilisation etc. are adequate to achieve the objectives behind the creation of such fund and therefore no further modification is required in the Draft Regulations.

5. Some of the stakeholders have requested to revise the proviso to Regulation 10 (2) as under:

"Provided that in case of genuine difficulty in complying with the Renewable Power Purchase Obligation because of non-availability of certificates, the Obligated Entity may approach, the Commission along with complete detail for carry forward of shortfall in the RPPO as per Sub-regulation (3) of Regulation 5 of these Regulations

or for revision of the percentage targets or allow inter category adjustment over and above those permissible under Regulation 4 as per Sub-regulation (4) of Regulation 4."

We note that the stakeholders have suggested to modify proviso to draft Regulation 10(2) in line with Draft Regulation 4(4) is concerned, it is to clarify that the intent and purpose of Regulation 4(4) is different and distinct than above proviso contained in the Draft Regulation 10(2) and therefore, the suggestion of the stakeholder is not valid and accordingly rejected.

Considering the above discussions and decisions the Regulation 10 of the Draft Regulations is modified as under:

"....

10. Consequences of default. - (1) Where, during any year, the Obligated Entity does not fulfil the Renewable Purchase Obligation as provided in these Regulations and also does not purchase the certificates, the Commission may direct the Obligated Entity to pay the additional penalty for shortfall in specified renewable energy consumption targets as per sub-section (3) of Section 26 of The Energy Conservation Act in terms of twice TOE value.

Provided that value of TOE value shall be considered as per the MoP notification in force on the date of determination of such penalty amount.

Illustration

1. Computation of Penalty as per TOE value specified by Ministry of Power

Notification in force. 1 TOE = 11,630 KWh,

2. *Value of 1 TOE: INR 21,650.00 (As per MoP Gazette Notification dated 26.12.2023),*

3. *Penalty per 1 unit (KWh) of unmet RP01:*

$$2 \times \text{INR } 21,650 / 11,630 \text{ KWh} = \text{INR } 3.72 \text{ (Rounded off)}$$

The penalty amount as the Commission may determine on the basis of the shortfall in units of RPPO, be deposited into a separate fund, to be created and maintained by such Obligated Entity or State Agency as the case may be.

Provided that the fund so created shall be utilised, as may be directed by the Commission partly for purchase of the certificates and partly for development of transmission/sub-transmission infrastructure for evacuation of power from generating stations based on RE Sources:

Provided further that the Obligated Entities shall not be authorized to use the fund created in pursuance of these Regulations without prior approval of the Commission:

Provided also that the Commission may empower an officer of the State Agency to procure from the Power Exchange(s) or through Electricity Traders the required number of certificates to the extent of the shortfall in the fulfilment of the obligations, out of the amount available in the fund.

(2) Where any Obligated Entity fails to furnish requisite information, as provided under Regulation 8, and/or fails to comply with the obligation to purchase the required percentage of energy from RE Sources as provided under these Regulations

or fails to purchase the Renewable Energy Certificates, it shall be liable for penalty as may be imposed by the Commission under Section 142 of the Act:

Provided that in case of genuine difficulty in complying with the Renewable Power Purchase Obligation because of non-availability of certificates, the Obligated Entity may approach, the Commission along with complete detail for carry forward of shortfall in the RPPO as per Sub-regulation (3) of Regulation 5 of these Regulations:

Provided further that where the Commission has consented to carry forward of compliance requirement, the provisions of Sub-regulation (1) of these Regulations or the provisions of Section 142 of the Act shall not be invoked.

....."

In addition to the aforementioned modifications made in the Regulations as a result of discussion and deliberation as above, the Commission has incorporated certain changes to remove the inadvertent error in the Regulations for better understanding of stakeholders and effective implementation of Regulations.

4. The Commission directs that the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2025 be published in the Official Gazette after incorporating the changes as decided and indicated in the foregoing paragraph of this Order.

Sd/-
[S. R. Pandey]
Member

Sd/-
[Mehul M. Gandhi]
Member

Sd/-
[Anil Mukim]
Chairman

Place: Gandhinagar.
Date: 08/08/2025.

Annexure - I

The Commission has received objections/suggestions from the following stakeholders pursuant to public notices dated 30.09.2024, in the matter of Draft Regulations of the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2024:

Sr. No.	Name of the Objectors
1.	Gujarat Urja Vikas Nigam Limited
2.	Torrent Power Limited
3.	MPSEZ Utilities Limited
4.	Indian Wind Energy Association
5.	Indian Energy Exchange
6.	Reliance Industries Limited
7.	Abellon Clean Energy Limited
8.	Continuum Green Energy Pvt. Limited
9.	Federation of Gujarat Industries
10.	BA Prerana
11.	DCM Shriram Limited
12.	Prayas Energy Group

Annexure - II

The following stakeholders were present during the hearing on 25.10.2024, in the matter of Draft Regulations of the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2024:

Sr. No.	Name of the Objectors
1.	Gujarat Urja Vikas Nigam Limited
2.	Torrent Power Limited
3.	MPSEZ Utilities Limited
4.	Indian Wind Energy Association
5.	Indian Energy Exchange
6.	Reliance Industries Limited
7.	Abellon Clean Energy Limited
8.	Federation of Gujarat Industries
9.	DCM Shriram Limited
10.	OP Wind Energy Pvt. Limited