

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Suo-Motu Petition No. 1637/2017

In the Matter of Compliance of the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and Gujarat Electricity Regulatory Commission (Procurement of Energy From Renewable Sources) (First Amendment) Regulations, 2014 notified by the Commission.

- Respondents:
- 1) Torrent Energy Limited
 - 2) Kandla Port Trust
 - 3) MPSEZ Utilities Pvt. Ltd.
 - 4) Jubilant Infrastructure Pvt. Ltd.
 - 5) Aspen Infrastructure Ltd.
 - 6) GIFT Power Company Ltd.
 - 7) Gujarat Energy Development Agency

Facts of the Case:

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

stipulates the Renewable Purchase Obligation (RPO) to be fulfilled by the Distribution Licensees in the State of Gujarat during the period 2010-11 to 2016-17.

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

4. “Quantum of Renewable Purchase Obligation (RPO) (GERC (Procurement of Energy from Renewable Sources) Regulations, 2010

4.1 Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year.

Similarly, Captive and Open Access user(s) / consumer(s) shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of his/her total consumption during a year.

4) Substitution of Table 1 of Regulation 4.1 GERC (Procurement of Energy from Renewable Sources) First Amendment, Regulations, 2014

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

	<i>Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy in kWh)</i>			
<i>Year</i>	<i>TOTAL</i>	<i>Wind</i>	<i>Solar</i>	<i>Others (Biomass, Bagasse, MSW, etc.)</i>
<i>2010-11</i>	<i>5.0</i>	<i>4.5</i>	<i>0.25</i>	<i>0.25</i>

<i>2011-12</i>	<i>6.0</i>	<i>5.0</i>	<i>0.5</i>	<i>0.5</i>
<i>2012-13</i>	<i>7.0</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>
<i>2013-14</i>	<i>7.0</i>	<i>5.5</i>	<i>1.0</i>	<i>0.5</i>
<i>2014-15</i>	<i>8.0</i>	<i>6.25</i>	<i>1.25</i>	<i>0.5</i>
<i>2015-16</i>	<i>9.0</i>	<i>7.0</i>	<i>1.5</i>	<i>0.5</i>
<i>2016-17</i>	<i>10.0</i>	<i>7.75</i>	<i>1.75</i>	<i>0.5</i>

As provided in the above table the RPO for the year 2015-16 has been fixed at 9.0% including 7.0% from Wind, 1.5% from Solar and 0.5% from Other renewable sources.

2. The Commission in exercise of the powers conferred under Sections 61, 86(1)(e) and 181 of the Electricity Act, 2003 read with sub-regulation (iv) of Regulation 1 and Regulation 8 of the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 (Notification No.3 of 2010) (Principal Regulations) and Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (First Amendment) Regulations, 2014 (Notification No. 2 of 2014), and all other powers enabling it in this behalf has notified Notification No. 2 of 2015 dated 1st day of July, 2015, whereby 1st day of July, 2015 is notified as the date on which the sub-regulation (iv) of Regulation 1 and Regulation 8 of Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 (Notification No.3 of 2010) shall come

into force and the Renewable Purchase Obligation shall become applicable to Captive and Open Access User(s)/Consumer(s).

3. Regulation 5 of the Principal Regulations provides an alternate mechanism for fulfillment of R.P.O. which reads as under:

“5. Certificates under the Regulations of the Central Commission

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

4. Further, the Commission has notified, Gujarat Energy Development Agency (Respondent no. 7) as the State Agency to monitor the compliance of the RPO vide notification No. 3 of 2010. Thus, it is the duty of the GEDA to monitor the fulfillment of the RPO by the obligated entities and in case of non-fulfillment of the RPO by the obligated entity (ies), should inform the same to the Commission, to enable the Commission to take appropriate decision regarding non-compliance of RPO by the entity concerned as provided in the Regulations. Further, apart from the Distribution Licensees, Captive and Open Access consumers within the State have also been identified as Obligated Entities who should comply with RPO targets stipulated by the Commission in para 2 above.

5. We note that GUVNL on behalf of MGVCL, DGVCL, UGVCL and PGVCL has filed Petition No. 1604 of 2016 and Torrent Power Ltd. has filed Petition No. 1615 of 2016 regarding compliance of Renewable Purchase Obligations of financial year (FY) 2015-16. The Commission in its daily order dated 4.01.2017 and 12.01.2017 in Petition No. 1615 of 2016 and 1604 of 2016 respectively has decided as under: -

“We also decide to initiate the process of Suo-motu proceedings for verifying and monitoring the compliance of RPO by the Torrent Energy Limited, MPSEZ Utilities Private Limited, Kandla Port Trust, Aspen Infrastructure Private Limited, Jubilant Infrastructure Limited and GIFT Power Company Limited for FY 2015-16. The Office of the Commission is directed to initiate necessary actions in this regard.”

6. Considering the above facts, and the Commission’s decision to initiate Suo-Motu proceedings in order to verify the compliance of the RPO by the distribution licensees of the State and in case of any default by the distribution licensee, to decide the appropriate actions that may be required to be initiated against the defaulting distribution Licensee concerned, in accordance with the provisions of the Electricity Act, 2003 read with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with amendments made thereto, the present Suo-motu proceedings are initiated by the Commission for the following licensees:

1. Torrent Energy Limited

2. Kandla Port Trust
 3. MPSEZ Utilities Pvt. Ltd.
 4. Jubilant Infrastructure Pvt. Ltd.
 5. Aspen Infrastructure Ltd.
 6. GIFT Power Company Ltd.
7. GEDA is notified as the State nodal agency for monitoring of the RPO compliance. Hence, GEDA is also made a party to this Suo-Motu proceedings and to assist the Commission in hearings. GEDA has submitted the status of compliance of RPO for the FY 2015-16, based on the data furnished by different distribution licensees, which is given at **Annexure-I**.
8. We, therefore, direct the Respondent distribution licensees to submit the reasons for partial/non-compliance of RPO, if any, and action taken for fulfillment of their obligations alongwith an affidavit in support thereof in five copies. Further, the distribution licensees are directed to follow the procedures of inviting comments and suggestions from the stakeholders by publishing public notice and hosting the petition with all the relevant documents on their respective website.
9. GEDA is also directed to make its submissions regarding compliance of RPO by different licensees for FY 2015-16 by enclosing the relevant data. GEDA may also submit any other facts which it may consider appropriate for consideration of the Commission in five copies with an affidavit in support of its submission.

10. The above licensees and GEDA are directed to file their submissions if any, alongwith the necessary supporting documents before the Commission on or before 28/02/2017 to enable the Commission to decide the issue in the present petition.
11. The Commission has further decided and directed to the Staff of the Commission that the present Suo-Motu Petition be hosted on the website of the Commission and issue public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State/National level to invite comments/suggestions from the stakeholders. Any person who desires to file his submissions on the subject matter may file it alongwith an affidavit in support thereof in five copies to the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT Tower -1, GIFT CITY, Gandhinagar on or before 28/02/2017.
12. The Commission will pass an appropriate order in the matter after hearing all the respondents and concerned persons. The matter will be heard by the Commission on 04/03/2017 at 11:30 A.M.

Sd/-
[Roopwant Singh, IAS]
SECRETARY
Gujarat Electricity Regulatory Commission

Date: 2/02/2017

Place: Gandhinagar.

Annexure – I

RPO Status report of obligated entities for FY 2015-16							
(1) Torrent Power Ltd. (Dahej) – Consumption of units during FY 2014-15 - 216.59 Mus							
	RPO (%) 2014-15	Required Mus	Purchased Mus	REC's purchased Mus	Total Mus upto present quarter	Shortfall /Excess in Mus	RPO Achieved (%)
Solar	1.50	3.25	0	3.35	3.35	-0.101	1.55
Non-Solar	7.50	16.24	0	16.85	16.85	-0.606	7.78
Total	9.00	19.49	0	20.20	20.20	-0.71	9.33
(2) MPSEZ Utilities Pvt. Ltd. – Consumption of units during FY 2014-15 – 54.03 Mus							
Solar	1.50	2.89	0	2.93	2.93	-0.04	1.52
Non-Solar	7.50	14.46	0	14.64	14.64	-0.18	7.59
Total	9.00	17.35	0	17.57	17.57	-0.22	9.11

GEDA vide letter No. GEDA/GERC/RPO Status/2015/05/922/20.05.2016 submitted as under:

- (4) M/s. Jubilant Infrastructure Ltd. has conveyed vide their letter dated 4.05.2016 that they are procuring power from DGVCL for the FY 2015-16.
- (5) M/s. Aspen Infrastructure Ltd. has conveyed vide their letter dated 5.01.2016 that they have taken up the case with GERC vide their letter dated 17.12.2015.

- (6) M/s. Kandla Port Trust has conveyed vide their letter dated 4.01.2016 that they are procuring power from PGVCL for the FY 2015-16.
- (7) M/s. GIFT Power Company Ltd.: M/s. Gift Power Company Ltd. has conveyed vide their letter dated 6.01.2016 that they are procuring power from UGVCL for the year 2015-16.