

BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION,  
SHIMLA

In the matter of –

Suo-Moto Case No. 93(A)/2013

In respect of:

HPERC (Renewable Power Purchase obligation and its compliance)  
Regulation, 2010.

**CORAM**  
**SUBHASH C. NEGI**  
**CHAIRMAN**

Present for:

H.P. State Electricity Board Ltd.

.....Respondent

Sh. Ramesh Chauhan  
Authorised  
Representative  
Er. R.V. Mehta  
C.E. (Commercial)  
Er. Ajeet Kumar  
S.E. (Enf)

**Order**

Per clause 4 of the HPERC (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010 as amended vide notification no. 3<sup>rd</sup> October, 2011 the Himachal Pradesh State Electricity Board Ltd. hereinafter referred as “distribution licensee” is to comply with the Non-Solar and Solar RPPO as per the Table given as under:-

Financial Year	Minimum Quantum of Purchase (in %*) from renewable sources (in terms of energy in kWh) of total consumption.		
	Total RPPO %age.	Minimum Non-Solar RPPO %age of the total purchase	Minimum Solar RPPO %age of the total purchase
2010-11	10.00	10	0.00
2011-12	10.01	10	0.01
2012-13	10.25	10	0.25
2013-14	10.25	10	0.25
2014-15	10.25	10	0.25
2015-16	11.25	11	0.25
2016-17	12.25	12	0.25
2017-18	13.5	13	0.5
2018-19	14.75	14	0.75
2019-20	16	15	1
2020-21	17.5	15.5	2
2021-22	19	16	3

The information regarding the compliance of RPPO submitted by the distribution licensee and excess/short fall for Non-Solar and Solar RPPO worked out for the FY 11, FY 12 and FY 13 are follows:

Financial Year	Consumption i/c T&D losses in MUs	Minimum RPPO requirement in %		Minimum RPPO requirement in MUs		RPPO requirement met by Distribution licensee		Excess /Short fall from the requirement	
		Non-solar (%)	Solar (%)	Non-solar (MUs)	Solar (MUs)	Non-solar (MUs)	Solar (MUs)	Non-solar (MUs)	Solar (MUs)
1	2	3	4	5=(2*3)	6=(2*4)	7	8	9=(7-5)	10=(8-6)
2010-11	7671.89	10.00	0.00	767.19	0.00	916.04	0.00	148.85	0.00
2011-12	7436.96	10.00	0.01	743.7	0.74	1175.32	0.00	431.62	<b>(0.74)</b>
2012-13	7357.00	10.00	0.25	735.7	18.4	1268.8	0.00	533.1	<b>(18.4)</b>

The distribution licensee has fully met and in fact exceeded the specified target in respect of Non-Solar RPPO for the last three years but has not met the Solar RPPOs for the FY 2012 and FY 2013 as reflected from table above.

Commission issued Notice to the licensee dated 27.5.2013, asking for reasons for non-compliance, proposed action for meeting the gaps during past two years and also to meet future targets also. The distribution licensee in its response to the notice has informed that it was expecting to receive solar power supply from the ANTA Solar Power Project during the FY 2012-13 to meet its Solar RPPO for the said year, agreement for which was signed with National Thermal Power Corporation (NTPC) during November, 2011. However NTPC has shown its inability for supplying power from ANTA Solar Power Project and instead proposed to supply the same quantum of solar power from Singrauli Solar PV Power Project (15MW) for which necessary change/modification to the existing agreement has been signed on 19.02.2012. The commissioning of said Project, which was due in December 2013, is delayed and now it is expected to be commissioned during FY 2013-14.

Further, the distribution licensee has stated that due to non-availability of the adequate Solar Energy Certificate in the power exchange as well as due to its current fiscal health, it could not purchase Solar Energy Certificates. Licensee also informed that it is proposing to set up 1 MW capacity solar project at its Giri Power Station.

Commission is of the view that small hydro as renewable source has a limited potential and therefore for energy security on sustainable basis, tapping of vast potential of solar energy, which is truly a renewable source and the best option for our State, needs utmost priority. Accordingly, in view of the provisions of the Regulations (ibid) and submissions made by the Distribution Licensee, the Commission orders that:

- (i) the shortfall of Solar RPPOs for FY 2011-12 and FY 2012-13 shall now be met during the FY 2015-16 and FY 2016-17 respectively, in addition to the Solar RPPOs of those years. In other words during FY 2015-16 the distribution licensee shall meet the shortfall of Solar RPPO of 0.74 MUs of FY 2011-12 plus its Solar RPPO target of 0.25% for FY 2015-16. Similarly, during the FY 2016-17 the distribution licensee shall meet the shortfall of Solar RPPO of 18.4 MUs of FY 2012-13 plus its Solar RPPO target of 0.25% for FY 2016-17;
- (ii) the distribution licensee shall pursue with NTPC to expedite the commissioning of Singrauli Solar PV Power Project (15MW), so as to avoid imposition of any penalty on account of non-fulfilment of Solar RPPO during the FY 2013-14 and 2014-15;
- (iii) the distribution licensee should give its consent to the MNRE, GoI in response to their letter DO No. 29/5(5)/2010-11/JNNSM/ST-Part dated 30<sup>th</sup> April, 2013 for the procurement of Solar Power at the fixed levelled Tariff of Rs. 5.50 per kWh for 25 years under Batch-1 Phase-2 of the Jawahar Lal Nehru National Solar Mission(JNNSM). Efforts should be to set up adequate generation capacities in the State itself under this scheme, as well as future schemes of MNRE to meet RPPO of cheaper cost and for demonstration effect for investment in Solar Sector in the State. Hence, the MNRE GoI may also be requested through DoE, GoHP that the Solar capacities creation being considered under Viability Gap Funding (VGF) Scheme be installed in Himachal Pradesh also so as to attract investment, provide employment opportunity, and make available Solar power in the State without any additional transmission wheeling charges and transmission losses;
- (iv) the distribution licensee should explore possibilities of installing grid connected Solar Power Plants of different capacities on the lands, including rooftops of its own sub-stations and the vacant areas of power houses which will certainly make available at the cheapest cost of Solar power generation on

account of the existing facilities of evacuation, land and its O & M. The distribution licensee should submit such proposals for approval of Capital investment plan and whatever Capital subsidy is available from the MNRE, Govt. Of India, should also be availed;

- (v) the distribution licensee should explore the possibility of longterm procurement of Solar Power through Reverse Competitive bidding and Case-II bidding to meet the of RPPOs;
- (vi) the distribution licensee should declare its preferential Power purchase Policy, particularly from the Solar Power Plants, on the basis of locations, load centre, evacuation availability, reduction in the distribution losses etc. In fact it will encourage the Solar power developers to install their rooftop, ground mounted Solar Power Plants in that specific area and can sell their solar power to the distribution licensee at the rates to be finalized by the Commission. In addition rooftop projects can be started as pilot projects in the industrial areas as well as in selective towns and villages;
- (vii) the distribution licensee should take up the matter with the authorities of Himachal Pradesh Power Corporation Ltd. (HPPCL) as well as with the, SJVN Ltd. to install Solar Power Plants. The power from these plants will be purchased by the distribution licensee at the rates to be fixed by the Commission. This arrangement will help in attracting investment and creation of employment opportunity in Himachal Pradesh and meeting the Solar RPPO in future.

In light of the above, the suo motu notice dated 27.5.2013, stands discharged.

Dated: July 29<sup>th</sup>, 2013

Sd/-  
(Subhash C. Negi)  
Chairman