

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA
NOTIFICATION**

Shimla, the 30th March, 2016

No. HPERC/438.- The Himachal Pradesh Regulatory Commission, in exercise of the powers conferred by sub-section (1) of section 62, section 66, clauses (a),(b) and (e) of section 86 and clause (zi) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, after previous publication, hereby makes the following amendment regulations, namely:-

REGULATIONS

1. **Short title and commencement.** - (1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) (Second Amendment) Regulations, 2016.
(2) These regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.
2. **Substitution of Regulation 3.-**
For the existing regulation 3 of the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligations and its Compliance) Regulations, 2010 (hereinafter called “the said Regulations), the following regulation 3 shall be substituted, namely:-
“3. *Applicability of Renewable Power Purchase Obligation (RPPO).*-
These regulations shall apply to-
 - (a) the distribution licensee;
 - (b) any person, consuming electricity procured from conventional sources (i.e. other than renewable energy sources) through open access third party sale;
 - (c) any person who installs Captive Generating Plant, with an installed capacity exceeding 5 MVA, 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 back-up) 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 1 MVA, 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 also.”

3. **Amendment of Regulation 7.**- In sub-regulation (1) of regulation 7 of the said Regulations, the sentence “However, credit for excess renewable power purchase would not be adjusted in the ensuing year” shall be omitted.
4. **Amendment of Regulation 8.**- For sub-regulation (2) of regulation 8 of the said Regulations, the following sub-regulation shall be substituted, namely:-

“(2) the obligated entity, other than the distribution licensee, shall submit to the State agency, necessary details regarding total consumption of electricity and power purchased from Renewable Energy sources/distribution licensee or Renewable Energy Certificate(s) procured, alongwith the reasons for shortfalls, if any, and the plans for fulfillment of RPPO, on quarterly basis before the end of the 3rd week of the succeeding quarter and annual consolidated report on or before the 30th April, of the succeeding year.”

By order of the Commission

-Sd/-

Secretary

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

In the matter of draft amendment Regulations of the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) (Second Amendment) Regulations, 2016.

CORAM:
S.K.B.S. Negi
Chairman

ORDER

The Himachal Pradesh Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010, which were published in the Rajpatra, Himachal Pradesh, dated 29th May, 2010 (hereinafter referred “the RPO Regulations, 2010”);

As per regulation 3 of the RPO Regulations, 2010, provides that the RPO Regulations, 2010 will be applicable to the distribution licensee and any other person consuming electricity generated from conventional Captive Generating Plant, having capacity of 1 MW and above for his own use; and/or procured from conventional generation through open access third party sale;

The distribution licensee i.e. Himachal Pradesh State Electricity Board Limited (HPSEBL) have already adopted the concept of 24x7x365 power supply to the consumers in the State. Further, the HPSEBL is providing 80% green energy, from the hydro generating sources, to its consumers. The consumer(s) having Standby (or emergency back-up) Captive Generating Plant of smaller capacities have insignificant Renewable Power Purchase Obligation;

The MERC has excluded the Standby (or emergency back-up) Captive Generating Plant, from eligible obligated entities, as per their RPO Compliance Regulations, 2010. The GERC in its RPO Compliance Regulations, 2010 have fixed the capacity limit as 5 MW for Captive Generating Plant for eligibility, as an obligated entity for RPO Compliance;

As per the sub-regulation (IA) of regulation 5 of the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2010, provides that a distribution licensee shall be eligible to apply for registration with the Central Agency for issuance of and dealing in Certificates, if, it has procured renewable energy, in excess of the Renewable Power Purchase Obligations (RPPO) subject to the conditions specified in the aforesaid regulations;

For proper RPO compliance and monitoring/validation of data, the Commission is of the view that the regulations 3 and 7 of the RPO Regulations, 2010 require modification/amendment for further simplification.

There are huge unsold RECs lying in the power exchanges in the country. The distribution licensees have an option to obtain RECs for excess RE procured, after meeting the RPO targets. The Commission feels that the distribution licensee may be given comfort in RPO Compliance i.e. adjustment of excess renewable power purchased in the ensuing year(s) or getting RECs for excess RE procured in particular financial year. This has necessitated the amendment of regulation 7 of the RPO Regulations, 2010;

Taking into consideration the above, the Commission notified the draft amendment i.e. HPERC (Renewable Power Purchase Obligation and its Compliance)(Second Amendment) Regulations, 2016 on 5th March, 2016 and published the same in Rajpatra, Himachal Pradesh on 8th March, 2016 in exercise of the power, conferred under sub-section (1) of section 181 of the Electricity Act, 2003 (36 of 2003);

As required vide sub-section (3) of the section 181 of the Act, the Commission invited public objections and suggestions by way of insertions in two News papers i.e. "Hindustan Times" and "Divya Himachal" on 10th March, 2016 under Rule (3) of Electricity (Procedure of Previous Publication) Rules, 2005 and the full text of the draft amendment regulations was made available on the Commission's website: www.hperc.org.

The Commission, vide letter dated 10.03.2016, requested the major stakeholders, including Industries Associations, State Government, Directorate of Energy and Distribution Licensee to send their objections/suggestions as per the aforesaid public notice.

No comments/suggestions, on the aforesaid draft regulations, have been received in the stipulated period, allowed for filing objections/suggestions on the aforesaid draft amendment regulations.

The draft amendment regulations are finalized and approved as such and be notified accordingly.

Place: Shimla.
Date: March 30th, 2016.

-Sd/-
(S.K.B.S Negi)
Chairman