

Before the Himachal Pradesh Electricity Regulatory Commission, Shimla

In the matter of:-

Renewable Energy Purchase (Non-Solar & Solar) for FY 2016-17 under the provisions of Regulation 4(1) of the HPERC (Renewable Power Purchase Obligation and its Compliance) (Third Amendment) Regulations, 2017.

The Himachal Pradesh State Electricity Board Limited
Vidyut Bhawan, Shimla-171004 (HP).

..... Petitioner

Versus

The Director,
Directorate of Energy,
Shanti Bhawan, Phase-III,
New Shimla-171009 (HP).

.....Respondent

Petition No. 65 of 2017
(Decided on 07.04.2018)

CORAM
Sh. S.K.B.S. Negi
Chairman
Sh. Bhanu Pratap Singh
Member

Counsels/Representatives:-
for petitioner:

Sh. Suneel Grover, CE(SO),
Sh. Kamlesh Saklani
(Authorized Representative),
Sh. Ramesh Sharma, Sr. XEN

for respondent :

Sh. Shanti Swaroop
(Legal Consultant)

ORDER

(Last heard on 24.03.2017 and Orders reserved)

The petition bearing No. 65 of 2017 has been filed by the Himachal Pradesh State Electricity Board Limited (hereinafter referred as “the HPSEBL” or “the distribution licensee”), an Obligated Entity under the HPERC (Renewable Power

Purchase Obligation and its Compliance) Regulations, 2010 (hereinafter referred as “the RPPO Regulations”).

2. The brief submissions made by the petitioner in the petition are as under:

2.1 that as per Regulation 4(1) (quoted below) of the HPERC (Renewable Power Purchase Obligation and its Compliance) (Third Amendment) Regulations, 2017.

“The distribution licensee shall, during each financial year, purchase such quantum of electricity (in kWh) from renewable sources as is not less than the quantum of electricity (in kWh), worked out as per the table below:-

Year	Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption.		
	Non-Solar	Solar	Total
2016-17	9.50%	2.50%	12.00%
2017-18	9.50%	4.75%	14.25%
2018-19	10.25%	6.75%	17.00%
The RPPO will be applicable on total consumption of electricity by an obligated entity, excluding consumption met from hydro electric sources of power.			

2.2 that the HPSEBL has purchased power from renewable sources (non-solar & solar) in order to meet its obligation of 9.50% from non-solar & 2.50% from solar power for the financial year 2016-17.

2.3 The details of net shortfall/surplus of HPSEBL in respect of non-solar RE obligation during 2016-17 is given in table below:

RE (Non-Solar) Purchase for FY 2016-17

Sr. No.	Description	Quantum (MUs)
1	(i) HP's requirement within the State	8896.90
	(ii) HP's requirement within the State (excluding Hydro)	1815.42
2	Non-Solar RPPO obligation of HPSEBL (% of 1(ii))	9.50
3	Non-Solar RPPO obligation of HPSEBL	172.47
4	Availability of RE Generation	
	(a) HPSEBL's own generation from 25 MW & below projects.	330.75
	(b) Power purchase from IPP (25 MW & below)	1045.78
	(c) Free power of GoHP from own generation	27.07
	(d) Free power of GoHP from IPP less than 25 MW	85.54
	(e) Total RE (Non-solar) purchased (a+b+c+d)	1489.15
5	RE (Non-Solar) sold outside its area of supply	1448.41
6	Total RE (Non-Solar) purchased for supply within its area (4(e)-5)	40.74
7	Net surplus (+)/Deficit(-) of non-solar RE power (6-3)	-131.73

2.4 As per table above, the deficit of non-solar power during FY 2016-17 is 131.73 MUs. The HPSEBL proposed to meet this deficit by non-solar RECs from the inventory available with them of the surplus non-solar power of 541 MUs for FY 2013-14.

2.5 To meet the solar obligation of FY 2016-17, the HPSEBL has purchased power from Singrauli NTPC & SECI. Net shortfall/surplus of HPSEBL in respect of Solar RE obligation during FY 2016-17 is given in table below:

RE (Solar) Purchase for FY 2016-17		
Sr. No.	Description	Quantum (MUs)
1	(i) HP's requirement within the State	8896.90
	(ii) HP's requirement within the State (excluding Hydro)	1815.42
2	Solar RPPO obligation of HPSEBL (% of 1(ii))	2.50
3	Solar RPPO obligation of HPSEBL for FY 2016-17	45.39
4	Carry forward of Solar deficit of FY 2012-13	18.40
5	Total Solar Obligation (3+4)	63.79
6	Solar Power Purchase in FY 2016-17	
	(a) SECI	43.38
	(b) Singrauli NTPC	17.29
	(c) Total Solar Purchase	60.67
7	Net surplus (+)/Deficit(-) of solar (6(c)-5)	-3.12

2.6 As per the table above, the HPSEBL has a deficit in meeting its Solar Obligation during FY 2016-17 to the tune of 3.12 MUs. HPSEBL has already filed the petition for validation of the surplus solar power of 27.42 MUs during FY 2015-16 and may receive solar RECs against this surplus. HPSEBL proposes to meet this deficit of 3.12 MUs during FY 2016-17 by solar RECs of surplus solar power of FY 2015-16.

3. The HPSEBL prayed to the Commission:-

- To examine the details submitted by HPSEBL for authentication of Renewable Energy Purchase (Non-solar & solar) for FY 2016-17;
- To permit the HPSEBL to meet the shortfall of RE (non-solar & solar) for FY 2016-17 with the REC (non-solar & solar) of FY 2013-14 & FY 2015-16 respectively.

4. Since the State Agency i.e. Directorate of Energy of Government of Himachal Pradesh is monitoring the compliance of Renewable Power Purchase Obligation (RPPO) of the obligated entities, being necessary party, the Commission vide interim order dated 28.10.2017 impleaded it as respondent.

5. The State Agency vide MA No. 138/2017 has submitted:-

- (a) that HPSEBL has claimed the non-solar RE power against the free power share of GoHP, from the HPSEBL's as well as IPP's Hydro Electric Projects. The matter of claiming the non-solar REC's against the free power share of GoHP is sub-judice (under HPERC). Therefore, the HPSEBL's claim for the non-solar obligation cannot be considered at this juncture of time.
- (b) that the deficit of non-solar REC's in the FY 2016-17 is 131.73 MU which HPSEBL has proposed to meet out against the surplus non-solar power of 541 MUs during FY 2013-14. However the claim of HPSEBL for 541 MUs during FY 2013-14 is under the RECs claimed by HPSEBL and IPPs (25 MW and registered under REC with the State Agency).
- (c) that the deficit of solar RECs in the FY 2016-17 is 3.12 MU which HPSEBL has proposed to meet out against the surplus non-solar power of 27.42 MUs during FY 2015-16 but the orders are still awaited from the Commission regarding this adjustment.
- (d) in addition to above the HPSEBL has suggested as mention in HPERC order in petition no. 124 of 2015 dated 2607.2016 under para 29(VII) as under:-

“That the HPSEBL would be able to meet its solar RPPO from the Solar Power projected to be available for FY 2016-17, even after meeting its estimated RPPO for FY 2016-17, they would be left with sufficient solar power to meet the unmet obligation for the previous years.”

Thereafter, the shortfall of 19.32 MU of FY 15 is to be met in the following ways- (i) 13.6 MU in FY 16 (ii) 5.99 MU in FY 17. At the same time in preview of this petition, these adjustments are required to be considered by HPSEBL.

6. In response to MA No. 138/2017, the HPSEBL has made following submissions that:-

- (a) HPSEBL submits that as per third amendment of Regulation 4 of HPERC (Renewable Power Purchase Obligation and its Compliance), power purchased, except at APPC rate, from renewable energy source

other than distribution licensee is eligible for meeting RPPO. The relevant extract of the said regulation is given below:

“(2) The obligated entities may meet their Renewable Power Purchase Obligation (RPPO) as per sub-regulations (1) and (2) of this regulation from any renewable sources, including:-

- i. purchases from generation stations, based on renewable energy sources;*
- ii purchase from any other distribution licensee, which would arise from renewable energy sources; and*
- iii the energy generated from its own renewable sources, if any by the obligated entity:*

Provided that the electricity purchased at pooled cost, as specified in the Central Electricity Commission (Terms and Conditions of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, shall not be taken into account for offsetting such obligations....”

Therefore HPSEBL has rightly considered RE power against GoHP Free power. However since the matter is already under the consideration of the Commission, therefore HPSEBL again requests the commission to decide the matter based on submissions of HPSEBL.

- (b) HPSEBL submits that in para 1.5 of the petition, HPSEB has proposed to meet the non-solar deficit of 131.73 MUs with REC (non-solar) Certificates which HPSEBL received against the surplus non-solar power of 541 MUs during FY 2013-14. The relevant extract of the Petition is given below:

“1.5. As per table 1 above, the deficit of non-solar during FY 2016-17 is 131.73 MUs. HPSEBL proposes to meet this deficit by REC (non-solar) Certificate which HPSEBL received against the surplus non-solar power of 541 MUs during FY 2013-14.”

Therefore, the contention of the Petitioner is incorrect as HPSEBL has proposed to meet the deficit with REC received against surplus non- solar power during FY 2013-14.

- (c) HPSEBL submits that Hon’ble Commission has already issued Order dt. 5th Sep’17 against Petition No. 26 of 2017 in which it has been notified that HPSEBL is eligible for solar RECs of 9.02 MUs after adjusting the shortfall of FY 2012-13. The relevant extract of the Order is given below:

“In light of the above discussion, the Commission is of the view that to ascertain the eligibility of distribution licensee i.e. HPSEBL for recommending their case, for issuance of Solar Renewable Energy Certificates (Solar RECs) for Solar Energy purchased beyond Renewable Power Purchase Obligation target for FY 2015-16, as

per the condition (iii) of para 23, the HPSEBL shall be eligible for solar RECs of (27.42 MUs-18.40 MUs) 9.02 MUs, after adjusting the shortfall of FY 2012-13. The Order dated 29.07.2013 in Suo-Moto Case No. 93(A)/2013 stands to be modified to the extent that the carry forward of 18.40 MUs of solar RPPO which are to be met during FY 2016-17, adjusted in FY 2015-16.”

Accordingly, the solar deficit of 3.12 MUs for FY 2016-17 is to be met with solar RECs of surplus solar power of FY 2015-16.

7. The representative of State Agency i.e. Directorate of Energy, during the hearing of the petition, stated that they have already filed their submissions which may be taken into consideration to adjudicate the subject matter.
8. The Commission has made the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010, specifying the minimum percentage of the total consumption, for Renewable Power Purchase Obligation (RPPO) for Non-solar and Solar energy for the Distribution Licensee, as well as the Captive and Open Access Users/ Consumers, and provided that the certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2010 (hereinafter referred as “the REC Regulations”) shall be the valid instruments for the discharge of the mandatory obligation set out in these regulations for the obligated entities to purchase electricity from renewable energy sources.
9. On 19th June, 2010, the Commission designated the “Directorate of Energy” which is an authority created under the administrative control of the Government of Himachal Pradesh, as the State Agency for the purposes of the RPPO Regulations and the State Agency has to undertake functions under RPPO Regulations. The RPPO regulations provide that the Captive and Open Access Consumer(s)/User(s) shall purchase renewable energy as stated in the table below regulation 4 thereof. If the Captive User(s) and Open Access Consumer(s) are unable to fulfil the criteria or if the Distribution Licensee fails to fulfil the minimum quantum of purchase from renewable sources, it shall be

liable to pay compensation as per Regulation 9 of the RPPO Regulations (ibid), the shortfall of the targeted quantum would attract payment of compensation as per Regulation 9 of the RPPO Regulations (ibid).

10. In order to appreciate the submissions of the petitioner i.e. the HPSEBL, it will be useful to set out the provisions of regulations 4 and 5 read as under:

“4.Quantum of Renewable Power Purchase Obligation (RPPO):-

- (1) The distribution licensee shall, during each financial year, purchase such quantum of electricity (in kWh) from renewable sources as is not less than the quantum of electricity (in kWh), worked out as per the Table below:-

Table-Minimum percentage for Renewable Power Purchase Obligation

Year	Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption.		
	Non-Solar	Solar	Total
2016-17	9.50%	2.50%	12.00%
2017-18	9.50%	4.75%	14.25%
2018-19	10.25%	6.75%	17.00%
The RPPO will be on total consumption of electricity by an obligated entity, excluding consumption met from hydro-electric sources of power.			

Provided that for computing the Renewable Power Purchase Obligation (RPPO) of the distribution licensee for a year under this sub-regulation, the following conditions shall also apply, namely:-

- (i) the total consumption of the distribution licensee for a year shall include the quantum of electricity purchased, alongwith electricity generated, by it from various sources, including the power purchased under REC mechanism for meeting its requirement for consumption of electricity, and shall also include the transmission and distribution losses, within the area of distribution licensee, for meeting such consumption in the State during that year but shall not include the electricity purchased for the trading purposes;
 - (ii) save as provided in the succeeding item (iii) under this sub- regulation, the quantum of electricity to be considered as utilized by the distribution licensee from hydro-electric sources for meeting its consumption during a year shall be computed at such percentage of the total consumption in that year as is equal to the percentage derived from the quantum of electricity purchased, including generated, from hydro-electric sources, as envisaged in the tariff order for that year, for meeting the estimated requirement for consumption in the State vis-a-vis the total estimated requirement for that year for consumption in the State; and
 - (iii) the consumption of electricity to be considered as met from hydro-electric sources shall not exceed the electricity purchased (in kWh), including electricity generated, by the distribution licensee from hydro-electric sources in that year, after excluding the dedicated sale of power to any person, other than its consumers, by the distribution licensee specifically earmarked out of any such purchase from hydro-electric sources.
- (2) Each Captive and Open Access User/Consumer shall, during the respective financial year, purchase such quantum of electricity (in kWh) from the renewable sources, which

shall not be less than the quantum of electricity (in kWh), worked out as per the Table given in sub-regulation (1):

Provided that for computing the Renewable Power Purchase Obligation (RPPO) of such obligated entities for a year under this sub-regulation, the following conditions shall also apply, namely:-

- (i) the total consumption of any such obligated entity shall include the quantum of electricity purchased, including electricity generated, by it from various sources, including the power purchased under REC mechanism for meeting its requirement for consumption of electricity, and shall also include the transmission and distribution losses incurred within the State for meeting such consumption in the following manner, namely:-
 - (a) in case the electricity is purchased by such obligated entity from sources outside the State, the electricity purchased at the State periphery shall be considered as the consumption of the obligated entity from such sources;
 - (b) in case the electricity is purchased, or generated, from generating sources located within the State, the electricity (in kWh) injected for such obligated entity at the generating bus bar shall be considered as its consumption;
 - (ii) the energy consumed by obligated entity, other than the distribution licensee, shall be considered to have been consumed from the sources other than the hydro-electric sources, unless such obligated entity establishes to the satisfaction of the State Agency that such consumption was made from hydro-electric sources.
- (3) The obligated entities may meet their Renewable Power Purchase Obligation (RPPO) as per sub-regulations (1) and (2) of this regulation from any renewable sources, including-
- (i) purchases from generating stations, based on renewable energy sources;
 - (ii) purchases from any other distribution licensee, which would arise from renewable energy sources; and
 - (iii) the energy generated from its own renewable sources, if any, by the obligated entity:

Provided that the electricity purchased at pooled cost, as specified in the Central Electricity Regulatory Commission (Terms and Conditions of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, shall not be taken into account for offsetting such obligations:

Provided further that the solar power purchase obligation shall be fulfilled from the generation based on solar sources only:

Provided further that the quantum of electricity generated by the consumer through roof-top solar PV system under net metering arrangement in any year, shall qualify towards compliance for solar RPPO of the Distribution Licensee or the consumer, as the case may be, for that year in accordance with the provisions contained in Himachal Pradesh Electricity Regulatory Commission (Rooftop Solar PV Grid Interactive Systems based on Net Metering) Regulations, 2015:

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

- (4) The Commission shall specify the minimum percentage for Renewable Power Purchase Obligation (RPPO) for the period beyond 31.03.2019, separately in due course of time.
- (5) The Commission may, keeping in view the power supply constraints or other factors beyond the control of the distribution licensee or for any other reasons, suo-moto or at

the request of an obligated entity, also revise the percentage targets for a year(s) for which Renewable Power Purchase Obligations have been fixed as per sub-regulations (1) and (2) of this regulation.”

Regulation 5:

Certificates under the regulations of the Central Commission.-

(1) *Subject to the terms and conditions contained in these regulations, the Certificates issued under the Central Electricity Regulatory Commission (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:*

Provided that in the event of the obligated entity fulfilling the renewable purchase obligation by purchase of certificates, the obligation to purchase electricity from generation based solar as renewable energy source can be fulfilled by purchase of solar certificates only and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

(2) *Subject to such direction as the Commission may give, from time to time, the obligated entity shall act consistent with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the Renewable Power Purchase Obligation under these regulations.*

(3) *The Certificates purchased by the obligated entities from the power exchange in terms of the regulations of the Central Commission mentioned in sub-regulation (1) shall be deposited by the obligated entities with the Commission in accordance with the detailed procedure issued by the Central Agency.*

11. The sub-regulation (I-A) added to Regulation 5 of the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 (the REC Regulations), vide 3rd Amendment Regulations, 2014, w.e.f. 1st January, 2015 dealing with the conditions for registration with the Central Agency and for issuance and obtaining of certification from the Commission by the obligated entities which have procured renewable energy in excess of RPPO target fixed by the Commission, reads as under:-

“(1A) A distribution licensee shall be eligible to apply for registration with the Central Agency for issuance of and dealing in Certificates if it fulfills the following conditions:-

- (a) It has procured renewable energy, in the previous financial year, at a tariff determined under Section 62 or adopted under Section 63 of the Act, in excess of the renewable purchase obligation as may be specified by the Appropriate Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher:

Provided that the renewable purchase obligation as may be specified for a year, by the Appropriate Commission should not be lower than that for the previous financial year:

Provided further that any shortfall in procurement against the non-solar or solar power procurement obligation set by the Appropriate Commission in the previous three years, including the shortfall waived or carried forward by the said Commission, shall be adjusted first and only the remaining additional procurement beyond the threshold renewable purchase obligation-being that specified by the Appropriate Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher-shall be considered for issuance of RECs to the distribution licensees.

- (b) It has obtained a certification from the Appropriate Commission, towards procurement of renewable energy as provided in sub-clause (a) of this regulation.”

12. The format 1.4 (2.4/3.1.1) of model procedure/guidelines for accreditation of renewable energy generation project or distribution licensee, as the case may be, under REC mechanism by the State Agency dated 5th November, 2015 on which the Commission is required to recommend the case for issuance of RECs to the distribution licensee, also reiterates the similar conditions as imposed vide 3rd amendment of REC Regulations, the same are reproduced as below:-

“It is certified that;

1. Distribution Company has procured renewable energy, in the previous financial year, at a tariff determined under Section 62 or adopted under Section 63 of the Act, in excess of the renewable purchase obligation as may be specified by the Appropriate Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher.
2. The renewable purchase obligation as specified for a year, by the State Electricity Regulatory Commission is not lower than that for the previous financial year.
3. Any shortfall in procurement against the non-solar or solar power procurement obligation set by the Appropriate Commission in the previous three years, including the shortfall waived or carried forward by the said Commission, has been adjusted first and only the remaining additional procurement beyond the threshold renewable purchase obligation-being that specified by the Appropriate Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher-has been considered for recommending for the purpose of issuance of RECs to the distribution licensees.”

13. The distribution licensee is eligible for RECs, if it fulfills the conditions given in preceding **para 12**.

14. For self retention of RECs, the Central Electricity Regulatory Commission (CERC) has approved the following procedure:-

- (i) The eligible entity interested in retaining their Renewable Energy Certificates may apply to the host State Agency, where the eligible entity is located.
- (ii) The eligible entities may apply online from 1st to 5th of every month and mention the quantity of RECs for which they want to retain and the name of their plant and the State for which the eligible entity wants to retain the application signed and stamped to the host State Agency in such a way so that it shall reach the office of State host agency latest by 12th of every month.
- (iii) The host State Agency shall check the proposed volume for each eligible entity the quantity of valid RECs for that entity for both ‘Solar’ and ‘Non-Solar’ Certificates by 18th of every month.

- (iv) In case the retained volume placed exceeds the quantity of valid RECs held by the eligible entity as per the records of the REC Registry, then, the State Agency shall limit the RECs that can be retained by the eligible entity to the number of valid RECs as per the records of REC Registry.
- (v) The State Agency shall send the final list of certificates to be retained for eligible entities to the Central Agency for extinguishing of the RECs. The certificates will be extinguished by the Central Agency in the 'First-in-First-out' order by 22nd of the every month.
- (vi) The State Agency shall issue the purchase certificate to the eligible entities.

15. From the statutory provisions set out in the preceding paras, it can be observed that:-

- (a) Regulation 4(1) of the RPPO regulations provides that the distribution licensee shall purchase the quantum of the electricity (in kWh) from renewable sources, at a minimum percentage (as specified in the Table) of the total consumption excluding the consumption met from Hydro-Electric sources of power. The Solar Power Purchase obligation is to be fulfilled from the generation based on Solar Sources only.
- (b) Regulation 5 provides that the certificates issued under the Central Regulations (i.e. REC Regulations) shall be valid instrument for the discharge of the mandatory obligations, set out in the RPPO Regulations for the obligated entities, to purchase electricity from renewable energy sources. In the event of the obligated entity fulfilling the renewable purchase obligation by procuring certificates, the obligation to purchase electricity from solar based generation can be fulfilled by purchasing the solar certificates (solar RECs) only and the obligation to purchase electricity from generation based on renewable energy other than solar, can be fulfilled by purchase of non-solar certificates.
- (c) Regulation 5 (IA) of the REC Regulations lays down the conditions for registration with the Central Agency for issuance of certificates and the provisions for obtaining certification from the Commission by the obligated entities, which have procured renewable energy in excess of the RPPO target fixed by the Commission. While recommending the case for issuance of RECs to the distribution licensee, the State Commission needs to ensure that the conditions/guidelines laid down are duly complied with.
- (d) The Central Commission has already approved the procedure for self retention of RECs which means that if any obligated entity has inventory of RECs, the same may be utilised to fulfill their RPO compliance, by following the aforesaid procedure.

16. While framing the RPPO Regulations, the Commission has already specified the minimum percentage for Renewable Power Purchase Obligation from Renewable Sources (including Solar Energy) for period of 3 years (i.e. FY 2016-17 to FY 2018-19). Per regulation 4 of the RPPO Regulations, the HPSEBL i.e. the distribution licensee is to comply with solar and non-solar and RPPO as per the Table given as under:-

Year	Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption.		
	Non-Solar	Solar	Total
2016-17	9.50%	2.50%	12.00%
2017-18	9.50%	4.75%	14.25%
2018-19	10.25%	6.75%	17.00%
The RPPO will be applicable on total consumption of electricity by an obligated entity, excluding consumption met from hydro electric sources of power.			

17. As per the submissions of the distribution licensee regarding compliance of non-solar and solar RPPO for FY 2016-17, the shortfall/surplus are as under:-

a) Non-solar shortfall/surplus for FY 2016-17.

Year	Demand (MUs)	Demand excluding Hydro (MUs)	Non-Solar RPPO % age	Total Obligation MUs	Total non-solar RE available for supply to the consumers (MUs)	Surplus/shortfall (MUs)
2016-17	8896.90	1815.42	9.50	172.47	40.74	-131.73

b) Solar shortfall/surplus for FY 2016-17.

Year	Demand (MUs)	Demand excluding Hydro (MUs)	Solar RPPO	Total Obligation	Carry forward of FY 2012-13	Total solar RE available for supply to the consumers (MUs)	Surplus/shortfall (MUs)
			% age	MUs	MUs		
2016-17	8896.90	1815.42	2.50	45.39	18.40	60.67	-3.12

18. In the present case, there is shortfall of non-solar and solar RPPOs of 131.73 MUs and 3.12 MUs in FY 2016-17 respectively as per the submissions made by HPSEBL. The obligated entity i.e. the HPSEBL has filed this petition to permit them to meet the shortfall in case of non-solar RPPO from available non-solar RECs of FY 2013-14 and for shortfall of solar RPPO from the surplus solar RECs of FY 2015-16.

19. The Commission in para-18 of its Order dated 05.01.2018, in petition No. 25/2017 quoted as:-

“18. The Directorate of Energy (State Agency) vide letter no. DoE/SA-REC/ RPPO/Vol.-V/2017-5290-91 dated 19.09.2017 conveyed the ‘Cabinet Decision’ dated 02.06.2014 that free power entitlement of GoHP in respect of project connected with the HPSEBL/HPPTCL systems shall be utilized by the HPSEBL for all times to come. Therefore, the HPSEBL is entitled to avail the green attributes attached with free power of small hydro projects as permissible under the regulations.”

20. The Commission in the following para-28 of its Order dated 05.01.2018 in petition No. 25/2017 further allowed the green attributes attached with royalty (free) power of SHPs under RECs mechanism to the HPSEBL:

“28. Keeping in view, the decision of the Government of Himachal Pradesh communicated through the Chief Engineer (Electrical), Directorate of Energy, GoHP vide letter DoE/SA-REC/RPPO/Vol.-V/2017-5290-91 dated 19.09.2017 and also Commission’s decision to allow green attributes attached with royalty (free) power to the HPSEBL, the State Agency i.e. Directorate of Energy and SLDC shall take appropriate action accordingly.”

The issue raised by the State Agency in para-5 has already been settled in the aforesaid Order.

21. The Commission in its order dated 5th September, 2017 in petition No. 26/2017 has decided to adjust the solar RPPO shortfall of 18.40 MUs of FY 2012-13, in FY 2015-16, enabling the HPSEBL to get solar RECs of 9.02 MUs. The para-25 of aforesaid Order is reproduced as under:

“25. In light of the above discussion, the Commission is of the view that to ascertain the eligibility of distribution license i.e. HPSEBL for recommending their case, for issuance of Solar Renewable Energy Certificates (Solar RECs) for Solar Energy purchased beyond Renewable Power Purchase Obligation target for FY 2015-16, as per the condition (iii) of para 23, the HPSEBL shall be eligible for solar RECs of (27.42 MUs-18.40 MUs) 9.02 MUs, after adjusting the shortfall of FY 2012-13. The Order dated 29.07.2013 in Suo-Moto Case No. 93(A)/2013 stands to be modified to the extent that the carry forward of 18.40 MUs of solar RPPO which are to be met during FY 2016-17, adjusted in FY 2015-16.”

22. The Commission has already adjusted the solar deficit of FY 2012-13 in FY 2015-16 vide its Order dated 5th September, 2017 in petition No. 26/2017. Due to said adjustment, the HPSEB Ltd. is surplus in solar RPPO (18.40 MUs-3.12 MUs) 15.28 MUs in FY 2016-17 and eligible for getting solar

RECs of the surplus solar RE quantum. The Commission shall initiate the process of issuance of Certificates as per the format 1.4(2.4/3.1.1) of model procedure/guidelines for accreditation of renewable energy generation projects or distribution licensee, for recommending the case for issuance of solar RECs to the distribution licensee i.e. the HPSEBL.

23. The matter regarding self- retention of non-solar RECs equivalent to shortfall of 131.73 MUs for FY 2016-17, from the available inventory of non-solar RECs, the HPSEBL has to follow the procedure laid down by the Central Electricity Regulatory Commission.

Sd/-

(Bhanu Pratap Singh)
Member

Sd/-

(S.K.B.S. Negi)
Chairman

Place: Shimla.
Dated:07.04.2018