

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

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Notification

December 20, 2013

F-9(21)/RG/UERC/2013/1287: In exercise of powers conferred under section 181 read with Section 61(h) of the Electricity Act, 2003, and all other powers enabling it in this behalf, and after previous publication, the Uttarakhand Electricity Regulatory Commission hereby makes the following amendments in the Uttarakhand Electricity Regulatory Commission (Compliance of Renewable Purchase Obligation) Regulations, 2010 (Principal Regulations), namely:

1. Short Title, Commencement and Interpretation

- (1) These Regulations may be called the Uttarakhand Electricity Regulatory Commission (Compliance of Renewable Purchase Obligation) (First Amendment) Regulations, 2013.
- (2) These shall come into force on the date of their publication in the official Gazette.

2. Amendment of Regulation 2 of Principle Regulation:

The definition given in Clause (l) of Sub-Regulation (2.1) of the Principle Regulation will be replaced as under:

"Obligated Entity" means the distribution licensee, captive user (excluding co-generation based captive power plants) and open access consumer in the State, mandated to fulfill renewable purchase obligation under these regulations.

3. Amendment of Regulation 2 of Principal Regulation: Clause (o) of Sub-Regulation (2.1) of the Principal Regulations shall be deleted.

4. Amendment of Regulation 5 of Principal Regulation: Sub-Regulation (5.1) of the Principal Regulations shall be read as under:

"Every Obligated Entity shall, on a yearly basis on or before 15th March, submit to the State Agency with a copy to the Commission, the details of the estimated quantum of purchase from renewable energy sources for the ensuing year. The estimated quantum of such purchase shall be in accordance with UERC (Tariff and Other Terms of Supply of Electricity from Co-generation and Renewable Energy Sources) Regulations 2013. In case of actual requirement of the Obligated Entity for purchase of renewable energy being different at the end of financial year than that submitted by it, the obligation towards renewable purchase quantum shall stand modified to that extent."

5. Amendment of Regulation 7 of Principal Regulation: "Regulation 6.1" appearing in second proviso of Sub-Regulation (7.2) of the Principal Regulations be read as "Regulation 7.1".

6. Amendment of Regulation 8 of Principal Regulation:

Regulation 8.1 of the Principal Regulations be replaced with the following:

"8.1 A generating company engaged in generation of electricity from renewable energy sources including self-consumption of generation from renewable energy based captive generation plant and renewable energy based Co-generation plants shall be eligible to apply for accreditation subject to following conditions:

- a. It has connectivity to the State network and injects power into the grid. However, injection of power into the grid will not be a pre-requisite for accreditation in case of self consumption of generation from RE based captive generation plants and RE based Co-generation plants.
- b. It does not have any power purchase agreement for the capacity related to such generation to sell electricity, to any Entity for the purpose of meeting its renewable purchase obligation, at a tariff determined under section 62 or adopted under section 63 of the Act by the appropriate Commission:

Provided that self consumption of generation from renewable energy sources based captive generation plants and renewable energy sources based cogeneration plants shall be based on the capacity as assessed by the distribution licensee of the State, and the same shall be considered as the capacity for captive consumption for the purpose of issue of certificates.

- c. It sells the electricity generated either (i) to the distribution licensee of the area in which the eligible entity is located, at the pooled cost of power purchase (excluding transmission charges) of such distribution licensee as determined by the Commission, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price; and

Explanation: For the purpose of these regulations, "Pooled Cost of Purchases" means the weighted average pooled price at which the distribution licensee has purchased the electricity including the cost of self generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be."

Provided that such a generating company having entered into a power purchase agreement for sale of electricity with the obligated entity for the purpose of meeting its renewable purchase obligation, at a tariff determined under section 62 or adopted under section 63 of the Act by the Commission shall not, in case of pre-mature termination of the agreement, be eligible for participating in the Renewable Energy Certificate (REC) scheme for a period of three years from the date of termination of such agreement or till the scheduled date of expiry of power purchase agreement, whichever is earlier.

Provided further that renewable energy sources based Captive Generating Plant (CGP) shall be eligible for the energy generated from such plant for self consumption for participating in the REC scheme subject to the condition that such CGP has not availed or does not propose to avail any benefit in the form of concessional/promotional transmission or wheeling charges and/or banking facility benefit.

Provided also that if such a CGP forgoes on its own the benefits of concessional transmission or wheeling charges and/or banking facility benefit it shall become eligible for participating in the REC scheme only after a period of three years has elapsed from the date of forgoing such benefits:

Provided also that the above mentioned condition for CGP for participating in the REC scheme shall not apply if the benefits given to such CGP in the form of concessional transmission or wheeling charges and/or banking facility benefit are withdrawn by the Commission and/or the State Government:

Provided also that any renewable energy sources based Co-generation plant availing the concessional benefits in the form of transmission or wheeling charges and/or the banking facility benefit shall be required to forego such benefits for the purpose of availing renewable energy certificate for self-consumption of energy generated. It shall become eligible for participating in the REC scheme immediately after the date of forgoing such benefits:

Provided also that if any dispute arises as to whether a CGP or any other renewable energy generator has availed such concessional/promotional benefits, the same shall be referred to the Commission for decision.

Explanation: For the purpose of this Regulation, the expression 'banking facility benefit' shall mean only such banking facility whereby the CGP or renewable energy sources based Co-generating stations gets the benefit of utilizing the banked energy at any time (excluding peak hours).

- d. *It possesses the necessary infrastructure required to carry out energy metering and time-block wise accounting.*

Provided that the renewable energy purchased by the obligated entity in excess of its Renewable Purchase Obligation, as certified by the State Nodal Agency, shall be deemed to have been supplied by the renewable generators at pooled cost of purchases on pro-rata basis, at the option of such generators being given in writing to the concerned obligated entity and the State Nodal Agency and such generators shall also be entitled for accreditation only for such excess generation. The State Nodal Agency shall certify the quantum of such units for each generator after taking necessary data from all concerned. PPAs of such generators shall also have to be modified accordingly.

- e. *It does not sell electricity generated from the plant, either directly or through trader, to an obligated entity for compliance of the renewable purchase obligation by such entity."*

Uttarakhand Electricity Regulatory Commission**Vidyut Niyamak Bhawan, Near I.S.B.T., P.O.-Majra, Dehradun-248171, Uttarakhand****Coram****Shri Jag Mohan Lal Chairman****Shri C. S. Sharma Member****Shri K. P. Singh Member****Statement of Reasons for the "Uttarakhand Electricity Regulatory Commission (Compliance of Renewable Purchase Obligation) (First Amendment) Regulations, 2013"****Statement of Reasons****1. INTRODUCTION**

The Commission had notified the UERC (Compliance of Renewable Purchase Obligation) Regulations, 2010 (hereinafter referred to as Principal Regulations) vide notification dated November 3rd, 2010. The objective of these regulations was to introduce the concept of renewable energy certificate (RECs) which sought to address the mismatch between availability of renewable energy sources and the requirement of obligated entities to meet their renewable purchase obligations. The REC mechanism aimed at promoting additional investment in the renewable energy projects and to provide an alternative mode to the RE generators for recovery of their costs. Keeping in view the main objective of promoting new investments in renewable energy generation, the generating capacity tied up in PPAs was excluded from the eligibility for participating in REC mechanism.

The Commission with a view is to provide clarity on applicability of the regulations to eligible entities and bring in certain essential checks and balances in the REC related process published the draft "Uttarakhand Electricity Regulatory Commission (Compliance of Renewable Purchase Obligation) (First Amendment) Regulations, 2013" covering currently the following:

- i. Definition of obligated entity:
- ii. Eligibility criteria for issuance of Certificate
- iii. Issue regarding treatment of PPA entered through competitive bidding and not through cost plus tariff determined by the regulators
- iv. Self consumption by a renewable energy based captive generating plant (CGP) and

- by a renewable energy based co-generation plant
- v. Issue of Seasonal PPA in cases of bagasse-based cogeneration:
 - vi. Procurement of electricity by a local distribution licensee at the rate of pooled cost of purchase as determined by the Commission
 - vii. The Commission also clarifies that electricity supplied to an obligated entity for compliance of the RPO shall not be eligible for REC, since allowing it eligible for RECs would amount to double counting of the green attributes.

Last date of submission of comments / suggestions / objections was kept on date 30.09.2013. A list of stakeholders who submitted comments is enclosed as Annexure-I.

Consideration of the views of the stakeholders and analysis and findings of the Commission on important issues:

1. Definition of obligated entity (Amendment of Regulation 2 of Principle Regulation):

The draft amendment provides the definition of "Obligated Entity" given in Clause (1) of Sub-Regulation (2.1) of the Principle Regulation as under:

"Obligated Entity" means the distribution licensee, captive user (excluding co-generation based captive power plants) and open access consumer in the State, mandated to fulfill renewable purchase obligation under these regulations."

Comments received

M/s Century Pulp & Paper in its comments has submitted that the definition of Obligated Entity given in Sub-Regulation (5.1) should also be replaced with the definition proposed in Clause (1) of Sub-Regulation (2.1) of the principal regulation. UREDA, the State Agency was of the opinion that the words "and renewable energy based captive power plants" could be inserted after the words excluding co-generation based captive power plants.

Analysis and decision

The Commission is of the view that Hon'ble ATE vide judgment in Appeal no. 57 of 2009 dated 26.04.2010 in Century Rayon Vs. MERC & Others held that the "The fastening of the obligation on the co-generator to procure electricity from renewable energy would defeat the object of Section 86 (1)(e)." Hon'ble ATE in the above referred Judgment also held that since the Appeal was generic in nature, the conclusions in the Appeal would be equally applicable to all co-generation based captive users who may be using any fuel. Accordingly, in light of Hon'ble ATE's judgment referred above, the Commission has decided to retain

the definition as provided in the draft Regulations. However, as submitted by M/s Century Pulp & Paper regarding amendment of sub-Regulation (5.1) the Commission observes that it in order to have consistency with sub-Regulation (2.1) the amendment of sub-Regulation (5.1) would also become necessary in addition to amendment in sub-Regulation (2.1) of the Principal Regulations. Therefore, following amendment in sub-Regulation (5.1) is being made:

Amendment of sub-Regulation (5.1) of Principal Regulation:

Sub-Regulation (5.1) of the Principal Regulations shall be read as under:

"Every Obligated Entity shall, on a yearly basis on or before 15th March, submit to the State Agency with a copy to the Commission, the details of the estimated quantum of purchase from renewable energy sources for the ensuing year. The estimated quantum of such purchase shall be in accordance with UERC (Tariff and Other Terms of Supply of Electricity from Co-generation and Renewable Energy Sources) Regulations 2013. In case of actual requirement of the Obligated Entity for purchase of renewable energy being different at the end of financial year than that submitted by it, the obligation towards renewable purchase quantum shall stand modified to that extent.

Further, w.r.t. UREDA's submission for exclusion of renewable energy based captive power plants from the definition of "Obligated Entity", it is clarified that in the Principal Regulations all the captive users are covered under obligated entity. However, in accordance with the directions of the Hon'ble ATE as discussed above, only co-generation based captive users have been excluded from the purview of obligated entity. Moreover, the definition of obligated entity is in accordance with the Model Regulations for SERCs for REC Framework as approved by FOR. Other captive users are covered as obligated entity. Besides this, renewable based captive users can offset their obligation from the total generation available from renewable sources. Hence, the Commission does not feel any need to exclude the renewable energy based captive users outside the purview of the "Obligated Entity".

2. Amendment of Regulation 8 of Principal Regulation:

a. Proposed Amendment to Clause (a) of sub-Regulation (8.1) of the Principal Regulations: Comments received

M/s Century Pulp & Paper and UREDA have submitted that the term 'connectivity' should be more explanatory. M/s Century Pulp & Paper suggested that RE based co-generation plant, which do not have excess power to inject into the grid do not require connectivity, and in such case they should be deemed to be connected.

Analysis and Decision

The Commission is of the view that self consumption of electricity generated from renewable energy or renewable energy based co-generation should also be made eligible for REC mechanism because such self consumption actually replaces the demand from the grid power. However, as per CERC REC Regulations, only grid connected RE technologies including CPP are eligible to participate under REC Mechanism. In case grid connected CPP, the self consumption such CPP would be treated as deemed injection in to the grid. Hence, connectivity is pre-requisite for accreditation under REC framework. However, injection should be insisted upon for granting accreditation & self-consumption of the CPPs would be treated as deemed injection into the grid. Hence, Clause (a) of sub-Regulation (8.1) of the Principal Regulations shall be replaced by the following:

"It has connectivity to the State network and injects power into the grid. However, injection of power into the grid will not be a prerequisite for accreditation in case of self consumption of generation from RE based captive generation plants and RE based Co-generation plants,".

b. Proposed Amendment to Clause (b) of Sub-Regulation (8.1) of the Principal Regulations:

Comments received

M/s Open Access Users Association has submitted that words "preferential tariff" in Clause (b) of Regulation 8.1 should be replaced by the word "tariff".

Analysis and Decision

The Commission observes that "preferential tariff" as defined under Clause (o) of sub Regulation (2.1) has been proposed to be deleted from the Principal Regulations in the draft Amendment Regulations for reasons mentioned in the SoR accompanying the draft amendment Regulations. Accordingly, the same correction has to be made in Clause (b) of Regulation 8.1. Therefore, Clause (b) of Sub-Regulation (8.1) of the Principal Regulations shall be substituted as under:

"It does not have any power purchase agreement for the capacity related to such generation to sell electricity, to any Entity for the purpose of meeting its renewable purchase obligation, at a tariff determined under section 62 or adopted under section 63 of the Act by the appropriate Commission:

Provided that self consumption of generation from renewable energy sources based captive generation plants and renewable energy sources based cogeneration plants shall be based on the capacity as assessed by the distribution licensee of the State, and the same shall be considered as the capacity for captive consumption for the purpose of issue of certificates."

b. Proposed Amendment to Clause (c) of Sub-Regulation (8.1) of the Principal Regulations:

Comments received

M/s REConnect Energy Solutions has submitted that the Commission should consider removal of the words "(excluding transmission charges)" as (1) an APPC contract is a contract to sell power to the local Discom and therefore does not generally include a separate transmission charge and (2) it deviates from the CERC REC regulations (2nd Amendment).

Analysis and Decision

The Commission observes that Average Pooled Cost of Power (APPC) has been defined by this Commission in Principal Regulations as well as by CERC in relevant Regulations as under:

"for the purpose of these regulations 'Pooled Cost of Purchase' means the weighted average pooled price at which the distribution licensee has purchased the electricity including cost of self generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be."

From the above referred definition of APPC, it is apparent that APPC does not provides for inclusion of transmission charges but refers only to the power purchase cost of the discom. Further, there is no mention of exclusion of transmission charges in CERC REC regulations (2nd Amendment). Hence, suggestion made by M/s RE Connect Energy Solutions is not considered and Clause (c) of Sub-Regulation 8.1 shall be read as:

"c. It sells the electricity generated either (i) to the distribution licensee of the area in which the eligible entity is located, at the pooled cost of power purchase (excluding transmission charges) of such distribution licensee as determined by the Commission, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price; and

Explanation: For the purpose of these regulations, "Pooled Cost of Purchases" means the weighted average pooled price at which the distribution licensee has purchased the electricity including the cost of self generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be."

c. Proposed Amendment at the end of the Clause (c) of sub-Regulation (8.1) of the Principal Regulations:

Comments received

M/s RE Connect Energy Solutions has submitted that the Commission should also mention that a generating company having entered into a power purchase agreement for sale of electricity with the obligated entity for the purpose of meeting its renewable purchase obligation can be eligible under REC mechanism if the PPA is terminated on mutual terms i.e. both parties have mutually decided to terminate the PPA.

M/s Open Access Users Association has submitted that for the purpose of this Regulation, the expression 'banking facility benefit' shall mean only such banking facility whereby the CGP or renewable energy sources based Co-generating stations gets the benefit of utilizing the banked energy at any time (excluding peak hours)." at the end of clause (c) of Regulation 8.1 should be substituted by the words "Explanation:- For the purpose of this Regulation, the expression 'banking facility benefit' shall mean only such banking facility whereby the CGP or renewable energy sources based Co-generating stations gets the benefit of utilizing the banked energy at any time (including peak hours) even when it has injected into grid during off-peak hours".

Analysis and Decision

The Commission has already dealt with the issue in its SOR accompanying the draft amendment Regulations. If this request is allowed, then all the renewable generators having an existing PPA with a distribution utilities for sale of electricity at preferential (cost plus) tariff may attempt to breach the existing contracts with the sole objective of making profits through REC mechanism. Hence, in order to discourage breach of existing PPAs, it was proposed that such a generator would be ineligible for participating in REC mechanism in respect of the generating capacity tied up in long term PPA for three years or till the expiry of the period of PPA whichever is earlier. Moreover, the Commission observes that above mentioned amendment is in consonance with Regulations issued by the CERC hence the Commission is of the view to retain the same.

In UERC (Tariff and Other Terms for Supply of Electricity from Non-conventional and Renewable Energy Sources) Regulations, 2013, the term "Banking" has been defined as "the process under which a captive generating station supplies power to the grid not with the intention of selling it either to a third party or to a licensee, but with the intention of exercising his eligibility to draw back this power from the grid for its own use". Further,

Regulation 46 of the above mentioned RE Regulations, 2013 provides for withdrawal of banked power relevant part of the same is reproduced as under:

"46. Banking of Power (Applicable only in case of Captive Generating Plants & Non-fossil fuel based Co-generating Stations)

(1) The Generating Stations shall be allowed to bank power within a period of one calendar month, for the purpose of withdrawal of the banked power in the event of emergency or shut down or maintenance of the plant, subject to following conditions:

(a) Banking of energy upto 100%, as agreed between the plant and the distribution licensee, shall be allowed during the period declared by the Commission as peak hours from time to time in its Tariff Orders.

(b) Withdrawal of power shall be allowed only during the period other than the period declared by the Commission as peak hours from time to time in its Tariff Orders.

"

From above, it is apparent that suggestion made by the stakeholder is contrary to the provision of the existing regulation which does not allow drawl of banked power during peak hours. During peak hours in the State, there is a situation of deficit as the peak demand increases and to meet this demand, the licensee at times has to overdraw costlier power from the grid to meet its demand. Hence, allowing withdrawal of power during peak hours as proposed by the stakeholder would increase the deficit of the distribution licensee. Accordingly, the proposal made by the stakeholder may not be considered and the Commission is of the view to retain the proposed amendment, which is read as under:

"Provided that such a generating company having entered into a power purchase agreement for sale of electricity with the obligated entity for the purpose of meeting its renewable purchase obligation, at a tariff determined under section 62 or adopted under section 63 of the Act by the Commission shall not, in case of pre-mature termination of the agreement, be eligible for participating in the Renewable Energy Certificate (REC) scheme for a period of three years from the date of termination of such agreement or till the scheduled date of expiry of power purchase agreement, whichever is earlier.

Provided further that renewable energy sources based Captive Generating Plant (CGP) shall be eligible for the energy generated from such plant for self consumption for participating in the REC scheme subject to the condition that such CGP has not availed or does not propose to avail any benefit in the form of concessional/promotional transmission or wheeling charges and/or banking facility benefit.

Provided also that if such a CGP forgoes on its own the benefits of concessional transmission or wheeling charges and/or banking facility benefit it shall become eligible for participating in the REC scheme only after a period of three years has elapsed from the date of forgoing such benefits:

Provided also that the above mentioned condition for CGP for participating in the REC scheme shall not apply if the benefits given to such CGP in the form of concessional transmission or wheeling charges and/or banking facility benefit are withdrawn by the Commission and/or the State Government:

Provided also that any renewable energy sources based Co-generation plant availing the concessional benefits in the form of transmission or wheeling charges and/or the banking facility benefit shall be required to forego such benefits for the purpose of availing renewable energy certificate for self-consumption of energy generated. It shall become eligible for participating in the REC scheme immediately after the date of forgoing such benefits:

Provided also that if any dispute arises as to whether a CGP or any other renewable energy generator has availed such concessional/promotional benefits, the same shall be referred to the Commission for decision.

Explanation: For the purpose of this Regulation, the expression 'banking facility benefit' shall mean only such banking facility whereby the CGP or renewable energy sources based Co-generating stations gets the benefit of utilizing the banked energy at any time (excluding peak hours)."

e. Proposed Amendment of adding new after Clause (d) under Sub-Regulation (8.1) of the Principal Regulations:

Comments received

M/s RE Connect Energy Solutions has submitted that Sale of power to a trader by a power plant and its subsequent sale by the trader are two independent transactions. A power project selling power to a trader has little or no control on the subsequent sale of power by the trader. The trader may sell the power on the power exchanges, or under a bilateral contract. Often, the project is not even aware of who the ultimate buyer is. Thus, an RE generator selling power to the trader should be considered as third party sale of power and therefore eligible for RECs under clause 5(c)(ii). It has requested the Commission to delete the term "trader" from the proposed 8.1(e) so that the clause should be read: "e. It does not sell electricity generated from the plant directly to an obligated entity for compliance of the renewable purchase obligation by such entity.

Analysis and decision

The Commission in its SOR accompanying the Draft Amendment REC Regulation had clarified that electricity supplied to an obligated entity for compliance of its RPO shall not be eligible for REC, since allowing it eligible for RECs would amount to double counting of the green attributes. The intent of this provision is that only one entity derives the benefit of REC/RPO. If the RE based generator intends to be eligible for REC accreditation, in that case sale by it to an obligated entity will not be counted in meeting the RPO of that obligated entity. Further, the proposed amendment is in line with the amendment made by CERC, hence, the suggestion of the stakeholder cannot be considered.

f. Proposed Amendment in second proviso of sub-Regulation (7.2) of Principal Regulations:

It has come to the notice of the Commission that in second proviso of sub-Regulation (7.2) of the Principal Regulations "Regulation 6.1" has been inadvertently mentioned in place of "Regulation 7.1". Accordingly, second proviso of sub-Regulation (7.2) of the Principal Regulations shall be read as follows:

"Provided that where the Commission has consented to the carry forward of compliance requirement, the provision of Regulation 7.1 above or the provision of Section 142 of the Act shall not be invoked."

g. Purchase of power at APPC rates from the renewable energy generators**Comments received**

M/s Bhilangana Hydro Power Ltd. has submitted that in the given current scenario the commission may create appropriate provisions in the Renewable Purchase Obligation Regulation, wherein the distribution licensee/discom may be obligated to buy power at APPC rates from the renewable energy generators whenever offered by them. This will help to support the viability of the current projects that are adversely hit in the current market scenario and will also instill confidence in the investors of upcoming projects.

Analysis and Decision

In this regard, the Commission is of the view that it cannot force the licensee to procure power from renewable energy generators. Renewable purchase obligation (RPO) has been fixed for the licensee and accordingly, it is the prerogative of the licensee to plan its purchase. Besides, REC mechanism aims at promoting additional investment in the renewable energy projects and to provide an alternative mode to the RE generators for

recovery of their costs. Hence, in light of the above, suggestion of the Stakeholder is not acceptable.

h. Infrastructures require to carry out energy metering and time-block wise accounting.

Comments received

M/s Century Pulp & Paper while referring to Clause (d) of Sub-Regulation (8.1) regarding requirement of necessary infrastructure to carry out energy metering and time-block wise accounting has submitted that in case of captive users if REC is being allowed on self consumption then for metering of total power generation & self consumption meters are required. It has also submitted that the accuracy of meter should conform to the state grid code. However, there is no need for time-block wise accounting as these meters will monitor own consumption and generation as the case may be.

Analysis and Decision

In this regard, it would not be out of place to mention that the captive users can be of two types, one who meet their entire requirement through their own generation and second may be those who require to draw some energy to meet their requirement. Even the first category of captive users may draw some power from the grid at times when their generation falls short of their requirement. Hence, distinction cannot be made between the two. Besides the Procedure under the UERC (Compliance of Renewable Purchase Obligation) Regulation, 2010 for Accreditation of RE Generation Project by State Agency approved by the Commission clearly provides that the Meter(s) should be compliant with CEA Regulations. Hence, there is no merit in the response of the stakeholder and is not being considered.

i. Holding of RECs by RE Generator for offsetting its renewable purchase obligation as a consumer.

Comments received

M/s Open Access Users Association has submitted that a renewable energy generator including captive generating plant should be permitted to retain the certificates for offsetting its renewable purchase obligation as a consumer subject to certification and verification by the concerned State Agency. It has also submitted that the renewable energy generator including captive generating plant shall inform the Central Agency regarding the details of the certificates retained by it for meeting its renewable purchase obligations. It has further submitted that renewable energy generator should not be permitted to retain the

certificates for offsetting renewable purchase obligation of its group companies as a consumer.

Analysis and Decision

The same has already been provided under CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) (Second Amendment) Regulations, 2013. Further, Regulation 4.2 of the Principal Regulations specifies as under:

"Subject to such directions as the Commission may give from time to time, the obligated entity shall act consistent with the CERC (Terms and Conditions for recognition and issue 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 purchase obligation under these regulations."

Hence, in view of the above referred provision in the Principal Regulations, there is no need to provide for the same separately.

- j. Representation of 1 REC in terms of one Megawatt hour of electricity generated from renewable energy source.

Comments received

M/s Open Access Users Association has submitted that additional provision of regulation should be made in the Principal Regulations showing 1 REC equivalent of one Megawatt hour of electricity generated from renewable energy source and injected or deemed to be injected (in case of self consumption by eligible captive generating plant) into the grid. The Commission observes that denomination of REC has been defined in sub-Regulation 7(6) CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 and the same has also been mentioned in 'Procedure for issuance of Renewable Energy Certificates to the Eligible Entities' issued under above referred CERC's Regulations. Further, developers become eligible for issuance of RECs only after getting accreditation from Central Agency on recommendation of the designated State Agency. Moreover, RECs are being issued to the developer by Renewable Energy Certificate Registry of India (Central Agency, NLDC). In addition transaction of RECs also takes place through different REC exchanges. In light of the above it is clear that State Commission is not necessarily required to make additional provision for showing denomination of REC.

Analysis and Decision

As referred by the stakeholder, the same has already been provided under CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010. Accordingly, in view of the Regulation 4.3 of the Principal Regulations referred in Para (i) above, there is no need to provide for the same separately.

k. Cancellation of revocation of accreditation.**Comments received**

M/s Open Access Users Association has submitted that revocation of accreditation of Renewable captive generators done by UERC should be cancelled and renewable generators should not be asked for fresh filing for any kind of application as those eligible renewable generators are already in process of trading of RECs at Power Exchange platform after being registered with Central Agency (NLDC).

Analysis and Decision

The Commission is of the view that provision of revocation has been made to avert any foul-play or wilful default by the developer as elaborated in the Principal Regulation as well as in the CERC's relevant Regulations as under:

11.0 Revocation of Accreditation

11.1 *If the State Agency, after making an enquiry or based on the report of Central Agency, is satisfied that public interest so requires, it may revoke accreditation of the renewable energy generating company where such company (a) breaches any of the terms and conditions of its accreditation which are expressly declared by such accreditation so as to render it liable to revocation; and (b) makes wilful and prolonged default, in the opinion of the State Agency, in doing anything required of it by or under these regulations.*

11.2 *The State Agency before revoking the accreditation under Regulation 11.1 above shall give to such renewable energy generating company reasonable opportunity for being heard.*

11.3 *Notwithstanding the provisions of Regulation 11.1 & 11.2, the Commission may from time to time direct the State Agency to initiate enquiry and/or revocation process against such renewable energy generating company if the Commission deems it fit.*

11.4 *A person aggrieved by the decision of the State Agency may approach the Commission for redressal within fifteen days from the date of such decision being communicated and the Commission may pass order, as deemed appropriate."*

Further, a provision of redressal of grievance is also there as mentioned at sub-Regulation (11.4). Hence, the opportunity of making submission before the Commission is also provided to the developer before revocation of accreditation. In view of the above, suggestion made by the stakeholder is not being considered. If any accreditation has been cancelled by the Commission in accordance with the Regulations, the generator has to apply afresh for grant of accreditation.

I. RPO Targets for FY 2013-14 onwards.

Comments received

M/s REConnect Energy Solutions has submitted that RPO targets has been fixed only upto FY 2012-13 and it has made suggestion to fix the RPO trajectory till 2020 in line with the NAPCC so that the obligated entities can plan to meet their RPO targets well ahead and project developers can plan to build capacity accordingly.

Analysis and Decision

In this regard, it is relevant to mention that the Commission has specified RPO targets for FY 2013-14 onwards till FY 2017-18 for both solar as well as non-solar sources in Regulation 9 of UERC (Tariff and Other Terms for Supply of Electricity from Non-conventional and Renewable Energy Sources) Regulations, 2013. The relevant provision of the same is reproduced hereunder:

"(1) In line with the provisions of the Act, National Electricity Policy and the Tariff Policy, to promote development of renewable and non-conventional sources of energy, all existing and future distribution licensees, captive users and open access customers, hereinafter referred to as "Obligated Entity", in the State shall be obliged to procure minimum percentage of their total electricity requirement for own consumption, as indicated below, from eligible renewable energy sources as defined under Regulation 4. The same shall be called the Renewable Purchase Obligation (RPO) of the Obligated Entities.

Year	Renewable Purchase Obligation - Non-Solar	Renewable Purchase Obligation - Solar
2013-14	6.00%	0.050%
2014-15	7.00%	0.075%
2015-16	8.00%	0.100%
2016-17	9.00%	0.300%
2017-18	11.00%	0.500%

* Percentage RPO as stipulated above denotes Minimum Quantum of purchase from non-fossil fuel based co-generation and generation of electricity from renewable energy sources' as a percentage of total energy purchased from all sources/generated by the Obligated Entity during the year for own consumption."

Annexure-1

Following stakeholders who submitted their written comments on draft Amendment Regulations:

Sr. No.	Name of Stakeholders
1.	Uttarakhand Renewable Energy Development Agency (UREDA)
2.	M/s Century Pulp and Paper
3.	M/s Open Access Users Association
4.	M/s Bhilangana Hydro Power Ltd.
5.	M/s REConnect Energy Solutions Pvt. Ltd.

By the Order of the Commission,

NEERAJ SATI,

Secretary.