
TELANGANA ELECTRICITY REGULATORY COMMISSION

Regulation __ of __

<p>TSERC RENEWABLE POWER PURCHASE OBLIGATION (Compliance by purchase of Renewable Energy / Renewable Energy Certificates) REGULATIONS 20__</p>

In exercise of powers conferred under Sections 61, 66, 86(1) (e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Telangana Electricity Regulatory Commission hereby makes the following regulation for prescribing the obligation for purchase of Renewable Power and its compliance by purchase of Renewable Energy/Renewable Energy Certificates.

1. Short Title and Commencement

- 1.1. This Regulation may be called the TSERC Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy / Renewable Energy Certificates) Regulations 20__.
- 1.2. This Regulation shall come into effect from [_____]
- 1.3. This Regulation shall apply throughout the state of Telangana

2. Definitions and interpretation

- 2.1. **“Act”** means the Electricity Act 2003 as amended from time to time.
- 2.2. **“Captive User”** means the person or member within the meaning of section 2(8) of the Act being the end user of the electricity generated in captive generating plant primarily for his own use and the term ‘captive use’ shall be construed accordingly.
- 2.3. **“Central Agency”** means the agency operating the National Load Dispatch Centre (NLDC) or such other agency as the Central Commission may designate from time to time;
- 2.4. **“Central Commission”** means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- 2.5. **“Certificate”** means the Renewable Energy Certificate (REC) Issued by the Central Agency in accordance with the procedures prescribed by it and under the provisions specified in the Central Electricity

Regulatory Commission (Terms and Conditions for recognition and Issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time;

- 2.6. **“Commission”** means the Telangana State Electricity Regulatory Commission as referred to in subsection (1) of section 82 of the Act;
- 2.7. **“Floor Price”** means the minimum price as determined by the Central Commission in accordance with its (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations 2010, as amended from time to time at and above which the certificate can be dealt in Power Exchange.
- 2.8. **“Forbearance Price”** means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificate can be dealt in Power Exchange;
- 2.9. **“MNRE”** means the Ministry of New and Renewable Energy;
- 2.10. **“Obligated Entity”** is an entity that is mandated to fulfil renewable purchase obligation under this Regulation subject to fulfilment of conditions outlined under clause 3 hereof and for the purposes of this Regulation shall be the following;
- (i) Distribution Licensee
 - (ii) Captive user - Any person who owns a grid connected Captive Generating Plant based on conventional fossil fuel with installed capacity of 5 MW and above, or such other capacity as may be stipulated by the Commission from time to time, and consumes electricity generated from such plant for his own use
 - (iii) Open Access Consumer in the State –
 - (a) Any person having a contract demand of 1 MW and above AND Consumes electricity procured from conventional fossil fuel based generation through open access
- 2.11. **“Open Access Consumer”** means a consumer availing open access under sub- section (2) of Section 42 of the Act;
- 2.12. **“Pooled Cost of Power Purchase”** means the weighted average pooled price at which the distribution licensee has purchased

electricity in the previous year from all the long-term energy suppliers excluding the purchases based on liquid fuel. Provided that the purchases from traders, short-term purchases and purchases from renewable sources shall not be taken into account while determining Pooled Cost of Power Purchase;

- 2.13. **“Power Exchange”** means any exchange operating as the power exchange for electricity in terms of the orders issued by the Central Commission or recognised by the Commission.
- 2.14. **“Renewable Energy Sources (or RES)”** means renewable sources such as Co-generation (from renewable sources of energy like bagasse), Mini-Hydel, Municipal Waste, Industrial Waste, Biomass, Wind, Solar including its integration with combined cycle, bio-fuel co-generation, Gee-thermal, Tidal and such other sources as recognized or approved by MNRE;
- 2.15. **“RPPO”** means Renewable Power Purchase Obligation prescribed under clause (3) of this Regulation;
- 2.16. **“RESCO”** means Rural Electricity Supply Co-operative Society.
- 2.17. **“State Agency”** means the State Load Despatch Centre of the State of Telangana as defined under section 2(66) of the Act or the agency so designated by the Commission under Clause (5.4) of this Regulation to act as the agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under this regulation;
- 2.18. **“Year”** means a Financial Year;

Words and expressions used in this Regulation and not defined herein, but defined in the Act or the rules or the Regulation issued by the Central Commission or any other Regulation issued by the Commission, shall have the same meaning assigned to them respectively in the Act or the rules or such Regulations issued by the Central Commission or such other Regulation issued by the Commission.

3. Renewable Power Purchase Obligation (RPPO):

3.1. Every Obligated Entity shall purchase from Renewable Energy Sources a minimum quantity (in kWh) of electricity expressed as a percentage of its total purchase of energy, during FY2018-19 to FY2021-22 as specified in this table below

Year	2018-19	2019-20	2020-21	2021-22
RPPO	6.0%	6.5%	7.0%	7.5%

Provided further that the obligation will be on total purchase of electricity by an Obligated Entity.

3.2. Roof-top Solar PV System under the net metering arrangements

3.2.1. The quantum of electricity generated by the consumer from the Roof-top Solar PV System under the net metering arrangements shall, if such consumer is not an Obligated Entity, qualify towards meeting the Solar RPPO of the Distribution Licensee

3.2.2. The Distribution Licensee shall install, at its own cost and with the consent of the consumer, a solar generation meter conforming to the applicable CEA Regulations at an appropriate location to measure the energy generated from the Roof-top Solar PV System if it desires that such energy be counted towards meeting its RPPO. The solar generation meter shall be maintained by the Distribution Licensee at its cost.

3.2.3. The purchases made from solar roof-top projects (gross metering), the unutilised banked energy deemed to have been purchased by the Distribution Licensees from renewable energy projects under open access regulations, purchases made at mutually agreed prices and all such other transactions for which the generator(s) does not claim RECs shall also be treated as fulfilment of the Renewable Power Purchase Obligation (RPPO) prescribed herein;

3.3. The Distribution Licensees shall purchase power from Renewable Energy Sources at the tariff determined by the Commission under Section 62 of the Act or at tariffs discovered through transparent process of bidding u/s 63 of the Act and adopted by the Commission

- 3.4. Captive Users consuming power generated from renewable energy source based co-generation plants connected to grid are exempt from applicability of RPO targets and specified conditions.
- 3.5. The purchase of renewable power, by the Distribution Licensee, from other Distribution Licensees in the Telangana shall also be taken into account for computing the fulfilment of Renewable Power Purchase Obligation (RPPO) by such a Licensee.
- 3.6. The purchase of Renewable Energy Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate or Renewable Energy Generation) Regulations, 2010 as amended from time to time, shall also be treated as fulfilment of the Renewable Power Purchase Obligation (RPPO) prescribed herein.
- 3.7. In the event of the Obligated Entity, fulfilling the Renewable Power Purchase Obligation (RPPO) through self-retention of Renewable Energy Certificates as allowed by the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate or Renewable Energy Generation) Regulations, 2010 as amended from time to time, the application for self-retention shall be towards fulfilment of RPPO of that financial year only; And the Obligated Entity shall make an application accordingly.
- 3.8. Distribution Licensees shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State.
- 3.9. The renewable power procured by the Obligated Entity from renewable energy generating stations bundled with coal/lignite based thermal generation shall be considered as fulfilment of RPPO;
- 3.10. Distribution Licensee's RPPO shall include Rural Electricity Supply Co-operative Society (RESCO) for the purpose of this Regulation.
- 3.11. The power from Renewable Energy Sources being purchased by the Obligated Entity(s) under the existing power purchase agreements shall continue till the validity of the existing agreements, even if the total purchases under such agreements exceed the percentages specified hereinabove.
- 3.12. The Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the Obligated

Entity(s) or Eligible Entity(S), revise for any year the percentage targets given herein above or to carry forward to next Year as deemed appropriate fit by the Commission.

4. Certificates under the Regulations of the Central Commission

- 4.1. The procurement, by the Obligated Entity(s) of Renewable Energy Certificates (RECs) issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time, shall be subject to such directions as the Commission may issue from time to time
- 4.2. The RECs purchased by the Obligated Entity from the Power Exchange, or the purchase certificate(s) issued by State Agency in case of self-retention of RECs, shall be deposited by the Obligated Entity with the State Agency.
- 4.3. Notwithstanding the above, the State Agency can also independently verify the RECs purchased by the Obligated Entity from Power Exchange, through Renewable Energy Certificate Registry of India website, and consider the same towards fulfilment of their RPPO.

5. Obligated Entity

5.1. Distribution Licensee

- 5.1.1. Every Distribution Licensee shall, on a yearly basis on or before 15th March, submit to the State Agency under intimation 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 clause 3.
- 5.1.2. The Distribution Licensee shall also submit a detailed statement to the State Agency under intimation to the Commission at the end of each year in respect of compliance of renewable purchase obligation
- 5.1.3. Despite availability of power from Renewable Energy Sources and certificates, if the Distribution Licensee fails to fulfil its commitment towards minimum purchase from Renewable Energy Sources, it shall liable to deposit amount into a separate fund as per clause 8.

5.2. Captive User and Open Access Consumer

- 5.2.1. Every Captive User and Open Access Consumer shall have to submit in advance necessary details regarding total estimated consumption of electricity and the quantum of power proposed to be purchase from Renewable Energy Sources for fulfilling its renewable purchase obligation. The details shall be submitted to the State Agency on a yearly basis on or before 15th March under intimation to the Commission.
- 5.2.2. The Captive User and Open Access Consumer shall submit quarterly status to the State Agency in respect of compliance of Renewable Purchase Obligation in accordance with the procedure as referred to in Clause 6.4.
- 5.2.3. The Captive User and Open Access Consumer shall submit under affidavit a detailed statement in respect of compliance of renewable purchase obligation to the State Agency at the end of each year under intimation to the Commission.
- 5.2.4. Captive User and Open Access Consumer shall purchase power from Renewable Energy Sources in accordance with clause 3. They may also fulfil their renewable purchase obligation through purchase of RECs. If the captive user or open access consumer is unable to fulfil the minimum purchase criteria, then it shall deposit into a separate fund the amount as per clause 8 of this regulation.

6. State Agency

- 6.1. The State Agency shall function in accordance with the directions issued by the Commission and shall act in consistence with the procedures / rules laid down by Central Agency for discharge of its functions under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time.
- 6.2. The State Agency shall devise an appropriate protocol for collection of information from various sources such as renewable energy generating companies, Obligated Entity, etc., and compute the compliance of RPO target by Obligated Entity.

- 6.3. The summary statement of RE procurement and RPO compliance by each Obligated Entity shall be published by the State Agency on a cumulative basis every month on its website

The summary statement shall cover RE procurement by each Obligated Entity comprising renewable energy procurement under preferential tariff route or other modality approved by the State Commission with regard to RPO as well as renewable energy procurement through REC mechanism

- 6.4. The State Agency shall submit quarterly status to the Commission in respect of compliance of Renewable Power Purchase Obligation by the Obligated Entity(s) in the format as approved by the Commission and may suggest appropriate action to the Commission if required for compliance of the Renewable Power Purchase Obligation.

For this purpose, the State Agency shall develop formats for submission of quarterly progress report in respect of compliance of Renewable Power Purchase Obligation by the Obligated Entity(s) and get them approved by the Commission within 45 days of the notification of this regulation.

- 6.5. **Remuneration and charges:** The Commission may from time to time based on the proposal in this regard from the State Agency fix the remuneration and charges payable to the State Agency for discharge of its functions under these regulations. The fees and charges paid by the obligated entities and the renewable energy generating companies shall be collected by the State Agency and utilised in consultation with the Commission.
- 6.6. If the Commission is satisfied that the State Agency is not able to discharge its functions satisfactorily, it may by general or special order, and by recording reasons in writing, designate any other agency to function as State Agency as it considers appropriate

7. Eligibility and Registration for Certificates

- 7.1. The eligibility and registration of certificates shall be governed by the Central Electricity Regulatory Commission (Terms and conditions for recognition and issuance of Renewable Energy Certificate for renewable energy generation) Regulations, 2010 dated 14.01.2010 as amended from time to time.

7.2. For the purpose of this clause (7) ,determination of Pooled Cost of Power Purchase shall be as follows:

7.2.1. DISCOMs shall submit a petition for computation of Pooled Cost of Power Purchase to the Commission by 30th April of that year. The Commission shall issue order relating to Pooled Cost of Power Purchase for the particular year within one month of acceptance of such petition. Till the issue of order regarding the Pooled Cost of Power Purchase, the Pooled Cost of Power Purchase of the previous year shall continue to be valid as Provisional Pooled Cost of Power Purchase. After the issue of order for the Pooled Cost of Power Purchase by the Commission, the difference with the Provisional Pooled Cost of Power Purchase shall be adjusted equally in the bills of the next two months or as decided by the Commission in the order determining the Pooled Cost of Power Purchase for that year.

7.2.2. The PPA covering the transaction may be developed by the Distribution Licensees keeping in view the standard PPA followed by them suitably modifying the same to the extent required and entered with the developer in Telangana for the transaction.

8. Consequences of default

8.1. If the Obligated Entity does not fulfil the Renewable Power Purchase Obligation as provided in Clause (3) of this regulation during any year, the Commission may direct the Obligated Entity to deposit into a separate fund, to be created and maintained by the State Agency, such amount on the basis of the shortfall in units of the Renewable Power Purchase Obligation and the Forbearance Price decided by the Central Commission;

Provided that the fund so created shall be utilised in the manner as may be stipulated by the Commission.

8.2. Where any Obligated Entity fails to comply with the obligation prescribed in clause (3) of this regulation, it shall, in addition to the compliance of the directions under clause 8.1 above, be liable for penalty as may be decided by the Commission under section 142 of the Act.

9. Information System

9.1. The State Agency shall post the following documents / information on its website in a separate web-page titled “Accreditation of RE Projects”:

9.1.1. This regulation;

9.1.2. Procedure as mentioned in this regulation;

9.1.3. List of applications along with necessary details received by the State Agency for accreditation ;

9.1.4. List of accreditation granted, indicating-

(i) Name of RE generating company/station;

(ii) Point of injection;

(iii) Capacity (MW) for which accreditation has been granted.

9.2. List of applications where approval for accreditation has not been granted along with reasons thereof;

10. Saving

10.1. Anything done or action taken or purported to have been done in pursuance of the provisions of the earlier APERC Renewable Power Purchase Obligation (RPPO) Regulation 1 of 2012 and its amendments shall be considered to be legal and valid

10.2. Any rights and liabilities arising out of the earlier regulation shall be settled within its framework

11. Power to remove difficulties

The Commission, suo-motu or on an application from any person generating electricity from renewable sources or an entity mandated under clause (e) of sub- section (1) of section 86 of the Act to fulfil the Renewable Power Purchase Obligation may review, add, amend or alter these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of this regulation.

12. Miscellaneous

12.1. Nothing in this regulation shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of process of the Commission

12.2. Nothing in this regulation shall bar the Commission from adopting a procedure which is at variance with any of the provisions of this regulation. If the Commission, in view of the special circumstances of

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a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for so dealing with such a matter or class of matters

(By the order of the Commission)

Sd/-

COMMISSION SECRETARY