



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

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TSERC- Allowing RECs to meet the requirement of RPPO across any RE technology-Approval –Issued.

Proceedings No. TSERC/Secy/Tariff/01/2024, Date: 27-03-2024

Read the Following:

- 1). TSERC RPPO Regulation No 7 of 2022
- 2). Lr.No.CGM(IPC&RAC)/GM(IPC&RAC)/DE(IPC)/ADE(IPC)/ F.RPPO / D.No. 581/23, Dt 05.03.2024
- 3). Lr.NO. CGM(IPC)/ DE(IPC)/F./D.No. 234/23, DT 07.03.2024
- 4) 84th Meeting of FOR
- 5) CERC order dated 08.10.2023 in the Petition No. 375/MP/2022

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ORDER:

1. As per Clause 3 of Regulation No 7 of 2022 (TSERC Renewable Power purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulation, 2022) for compliance of RPPO by obligated entities for FY 2022-23 to FY 2026-27,

- (1) *Every Obligated Entity shall purchase from Renewable Energy Sources a minimum quantity (in kWh) of electricity expressed as a percentage of its total consumption of energy, during FY 2022-23 to FY 2026-27 as specified in this table below:*

Year/RPP O	2022-23	2023-24	2024-25	2025-26	2026-27
Solar	7.50	8.00	9.00	10.00	11.00
Non-Solar	1.00	1.25	1.50	1.75	2.00
Total	8.50	9.25	10.50	11.75	13.00

Provided further that the obligation will be on total consumption of electricity by an Obligated Entity excluding consumption met from Renewable Energy Sources and Large Hydel:

Provided that on achievement of Solar RPPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess Non-Solar Energy purchased beyond specified Non-Solar RPPO for that particular year:

Provided further that on achievement of Non-Solar RPPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar Energy purchased beyond specified Solar RPPO for that particular year;

2. *Forum of Regulators in its 84th meeting has resolved as below:*

After discussion, the Forum endorsed the idea and unanimously agreed to allow fungibility of RECs to fulfil any RPO specified by State ERCs. Accordingly, it was decided that the obligated entity can fulfil any category of RPO by procuring REC certificate as per the REC Regulations, 2022.

3. Further, Hon'ble CERC in the order dated 08.10.2023 in the Petition No. 375/MP/2022, in the matter of Petition under Section 66 of The Electricity Act, 2003 read with the Regulation 5(4) and 25 of the CERC (Power Market) Regulations, 2021 for approval of amendments in Renewable Energy Certificate Contracts at Indian Energy Exchange in accordance with the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ordered as,

26. After discussion, the Forum endorsed the idea and unanimously agreed to allow fungibility of RECs to fulfil any RPO specified by State ERCs. Accordingly, it was decided that the obligated entity can fulfil any category of RPO by procuring REC certificate as per the REC Regulations, 2022."

22. The Commission agrees with the decision of the Forum of Regulators and believes that fungibility of RECs to meet the requirement of RPO across any RE technologies would resolve the dichotomy between the Central and the State Regulatory framework. This will further facilitate the process of procurement of RECs by the obligated entities such that shortfall of any technology specific RPO by the obligated entities can be fulfilled with procurement of RECs as per the REC Regulations, 2022. The Commission believes that the obligated entities may approach their respective State Electricity Regulatory Commissions for appropriate approval in this regard in view of the unanimous decision arrived at in the FOR.

4. TSSPDCL & TSNPDCL requested the Commission to combine Solar and Non- solar categories into single RPPO obligation to comply with RPPO for the FY 2023-24 and for further upcoming years to meet the shortfall of Non-solar targets for the FY 2023-24 by procurement of RECs from power exchange which are in the form of RECs only

and not as solar and Non-solar RECs separately.

5. Clause 12 and 13 of Regulation No 7 of 2022 (TSERC Renewable Power purchase Obligation) Regulation deal with the relaxation powers of the Commission and power to remove difficulties which are extracted below

12. *Power to relax:*

(1) The Commission may by general or special order, for reasons to be recorded in writing and giving an opportunity of hearing to the parties likely to be affected, may relax any provisions of this Regulation on its own motion or on an application made before it by an interested person.

13. *Power to remove difficulties:*

(1) if any difficulty arises in giving effect to the provisions of this Regulation, the Commission may, by general or special order, make such provisions not inconsistent with the provisions of the Act, 2003 as may appear to be necessary for removing the difficulty.

6. The Commission in exercising its power under Clauses 12 and 13 of the Regulation No. 7 of 2022 has decided the following:

Considering the orders issued by Hon'ble CERC and non-availability of solar and non-solar RECs, the Commission agrees to allow the obligated entity to fulfil any category of RPO by procuring REC certificates as per REC Regulations, 2022.

(BY ORDER OF THE COMMISSION)

Sd/-
Commission Secretary