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(REGISTERED)
ESTABLISHED 1895

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OUR REF.

DJK/ 11352

CONSULTANT
(Dr.) B. S. BHESANIA

20th December, 2017

The Secretary,
 Maharashtra Electricity,
 Regulatory Commission,
 13th Floor, World Trade Centre I,
 Cuffe Parade,
 Mumbai 400 005.

MERC		
Inward No: 9304	Date: 21/12/17	
Chairman	Member	Member
Secretary	Executive Director	
Director (EE)	Director (T)	

21/12/17

Respected Sir,

**BEFORE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

IN THE MATTER OF:

RPO Compliance Data submitted by MEDA vide letter dated 20th November 2017

AND

IN THE MATTER OF:

Letter dated 21st November 2017 bearing reference no: MERC/RE Cell/RPO/2016-17/4741 from the Director (Tariff), MERC addressed to Reliance Infrastructure Limited ("RInfra-D") seeking verification of compliance of Renewable Purchase Obligation targets of RInfra-D for FY 2016-17, as specified under MERC (Renewable Purchase Obligation, its compliance and Implementation of REC framework) Regulations, 2016.

Be pleased to take on file one original and six duplicate copies of Affidavit-In- Reply alongwith Annexures on behalf of our client Reliance Infrastructure Ltd., Respondent in the above matter.

Yours faithfully,
 Mulla & Mulla & Craigie Blunt & Caroe

Dr. Kalyan

Partner
 Advocates for R-Infra

Encl: a/a

**BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI**

IN THE MATTER OF:

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**BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI**

IN THE MATTER OF:

RPO Compliance Data submitted by MEDA vide letter dated 20th November 2017

AND

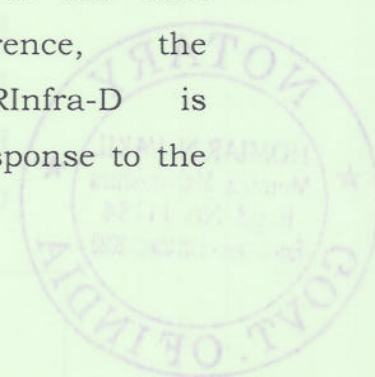
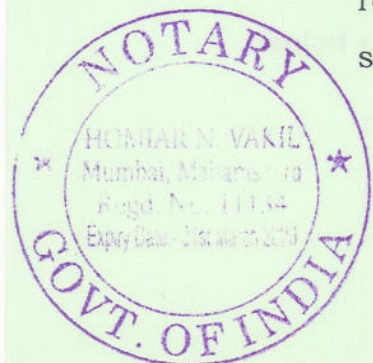
IN THE MATTER OF:

Letter dated 21st November 2017 bearing reference no: MERC/RE Cell/RPO/2016-17/4741 from the Director (Tariff), MERC addressed to Reliance Infrastructure Limited ("RInfra-D") seeking verification of compliance of Renewable Purchase Obligation targets of RInfra-D for FY 2016-17, as specified under MERC (Renewable Purchase Obligation, its compliance and Implementation of REC framework) Regulations, 2016.

AFFIDAVIT IN REPLY ON BEHALF OF RELIANCE INFRASTRUCTURE LIMITED

I, Ghansham Thakkar, Asst. Vice President (Regulatory Affairs) and authorized signatory of Reliance Infrastructure Limited, having my registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, do hereby solemnly affirm and state as under:

1. The present Affidavit is filed by RInfra-D in response to the Hon'ble Commission's letter dated 21st November 2017 referred hereinabove. By virtue of the said MERC Notice dated 21st November 2017, RInfra-D is called upon to provide necessary clarifications/confirmations/justifications in terms of the said letter. For the sake of ready reference, the reply/clarification/confirmation sought from RInfra-D is reproduced herein under together with RInfra-D's response to the same.



2. **Replies/Clarification/Confirmation sought from RInfra:**

(a) **RInfra-D should verify the RPO settlement details for FY 2016-17 as submitted by MEDA, (copy attached as Annexure with this letter) and highlight discrepancies, if any, along with proper justification**

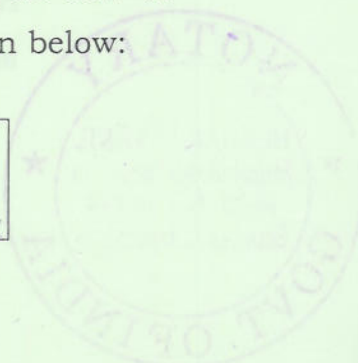
i) RPO Settlement data of RInfra-D for FY 2016-17 as submitted by MEDA is as reproduced below:

Item	MU
Gross Energy Consumption	9000.047398
Solar RPO	
Target (1%)	90.000474
Achievement	66.553676
Shortfall/(Surplus)	23.446798
Non-Solar RPO	
Target (9.98%)(Excluding Mini-Micro)	898.204730
Achievement	669.266606
Shortfall/(Surplus)	228.938124
Mini/Micro RPO	
Target (0.02%)	1.800009
Achievement	-
Shortfall/(Surplus)	1.800009

ii) It is submitted that MEDA has considered figures for FY2016-17 as per submission of RInfra-D vide its letter dated 30th June 2017

iii) It is submitted that actual Gross Energy Consumption for FY16-17 is 8987.638735 MUs and same has been considered for RPO Compliance. There is minor change in view of revision in FBSM statement by SLDC post submission to MEDA. In view of the same, revised numbers for FY2016-17 are as shown below:

Item	MU



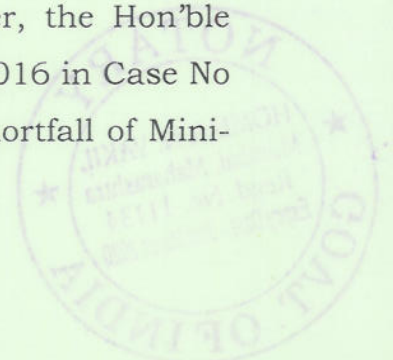
Gross Energy Consumption	8987.638735
Solar RPO	
Target (1%)	89.876387
Achievement	66.558900
Shortfall/(Surplus)	23.317487
Non-Solar RPO	
Target (9.98%)(Excluding Mini-Micro)	896.966346
Achievement	669.266609
Shortfall/(Surplus)	227.699737
Mini/Micro RPO	
Target (0.02%)	1.797528
Achievement	0.000000
Shortfall/(Surplus)	1.797528

10%
including
HAM

- (b) **RInfra-D should submit the detailed status of Solar, non-Solar RPO targets compliance including Mini-Micro Hydro RPO compliance as per the directives of the Commission vide Orders in Case No 183 of 2013, Case No 193 of 2014, Case No 19 of 2016 and Case No 172 of 2016 along with detailed statement for project wise energy procurement in MUs from all Solar, non-Solar RE generating projects and project wise contracted Non-Solar RE power capacity in MW including Mini/micro Hydro projects and project wise contracted Solar, non-Solar including Mini/micro Hydro projects during FY 2010-11 to FY 2016-17.**

Response:

- i) At the outset, RInfra-D submits that it has complied with RPO target for the period FY2010-11 to FY2015-16.
- ii) RInfra-D submits that the Hon'ble Commission in its order dated 6th March 2014 in Case No 183 of 2013 has allowed RInfra-D to meet Mini/Micro Hydro RPO targets on cumulative basis for the control period FY2010-11 to FY2015-16 before 31st March 2016. Further, the Hon'ble Commission by its Order dated 30th March 2016 in Case No 30 of 2016, has allowed RInfra-D to meet shortfall of Mini-



Micro RPO for FY2010-11 to FY2015-16 by way of purchase of Non-Solar RECs. In compliance of the said order, RInfra-D has purchased additional Non-Solar RECs (equivalent to 5.91 MUs) to meet Mini-Micro RPO. The same has been approved by Hon'ble Commission in Case No 172 of 2016. The relevant extract of the order is as follows:

" 17. The Commission notes that RInfra-D has

1) fulfilled its stand-alone Solar RPO target for 2015-16 with a surplus of 22.47 MUs, and a cumulative surplus of 80.91 MUs;

2) exactly met its stand-alone Mini/Micro Hydro RPO target for FY 2015-16, with a marginal cumulative surplus of 0.01 MUs.

3) fulfilled its stand-alone Non-Solar RPO target with a surplus of 1.48 MUs in FY 2015-16 and has a cumulative surplus of 15.36 MUs.

In earlier Orders, the Commission had allowed RInfra-D to compensate for the shortfall in meeting its Mini/Micro Hydro RPO targets for the period from FY 2010-11 to FY 2015-16 by purchase of Non-Solar RECs to that extent. With its performance in FY 2015-16, it has fulfilled its stand-alone Mini/Micro Hydro RPO target for FY 2015-16, with a marginal cumulative surplus of 0.01 MUs, by purchasing additional Non-Solar RECs equivalent to 5.91 MUs."

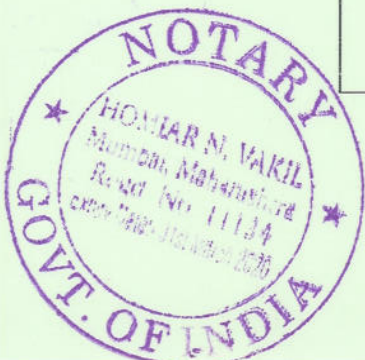
- iii) It is further submitted that Hon'ble Commission, vide its Daily Order dated 16th March, 2017 and subsequently by Order dated 14th July 2017 in Case No 35 of 2017, has allowed RInfra-D to purchase RECs in FY 2017-18 to the extent of any shortfall in compliance of RPO for FY 2016-17 and consider such purchase towards compliance of their RPO targets upto FY 2016-17. In compliance of the said order, RInfra-D submits that the said balance requirement of RECs will be purchased in FY 2017-18. It is submitted that trading in Solar REC's is presently stayed by the Hon'ble Supreme Court and the matter is pending before the Hon'ble Tribunal. As and when trading in



Solar REC's is allowed, RInfra-D would purchase the same in FY2017-18. However, if trading in Solar REC's is not permitted in FY2017-18, RInfra-D shall suitably approach the Hon'ble Commission for seeking further extension of compliance by purchase of RECs in FY 2018-19, or any other suitable relief in the matter. Copy of Daily Order dated 16th March 2017 and order dated 14th July 2017 in Case No 35 of 2017 are annexed herewith and marked as **Annexure "1" and "2"** respectively.

- iv) Detailed statement of project wise energy procurement in MUs from all solar and non-solar RE sources during FY 2016-17 is as given below:

S. No	Name of Supplier Company	RE Purchase (MU)	Type of Renewable Energy Source
			(Solar/Wind/Bio-mass/Small Hydro, etc.)
Solar			
1	Dhursar Solar Power Private Limited	65.908900	Solar
2	Consumption from RTS Generating plants	0.65	Roof top Solar
Total -Solar		66.558900	
Non-Solar			
1	Reliance Innoventures	88.571329	Wind
2	AAA Sons Enterprises	2.729672	Wind
3	Vector Green Energy Private Ltd	38.748859	Wind
4	Vector Green Energy Private	12.444121	Wind



	Ltd		
5	Tembhu Power Private Limited	9.444000	Small Hydro
6	Reliance Power Ltd	76.996629	Wind
Total Non-Solar		228.934609	
REC Purchase			
8	Non-Solar	440.332000	

- v) RInfra-D submits that the project-wise energy procurement in MUs for all solar and non-solar RE sources for the period FY 2010-11 to FY 2015-16 was submitted in the proceedings in Case No. 183 of 2013, 193 of 2014 ,19 of 2016 and 172 of 2016. The Hon'ble Commission in its Order thereon has already approved the same.

- (c) RInfra-D should submit the detailed list of actions and efforts undertaken by it prior to and during FY 2016-17 to ensure compliance of RPO targets in respect of solar RPO, non-solar RPO and mini/micro hydro RPO for FY2016-17.**

Response:

- i) RInfra-D submits that it has entered into Long Term Energy PPA with Dhursar Solar Power Private Limited for 40 MW to meet solar RPO. To meet non-solar RPO, details of PPA entered into by RInfra-D are as mentioned below:



S. No	Name of Supplier Company	Contracted Capacity (MW)	Type of Renewable Energy Source
			(Wind/Bio-mass/Small Hydro, etc.)
1	Reliance Innoventures	45	Wind
2	AAA Sons Enterprises	3.375	Wind
3	Vector Green Energy Private Ltd	18	Wind
4	Vector Green Energy Private Ltd	6	Wind
5	Tembhu Power Private Limited	4.5	Small Hydro
6	Reliance Power Ltd	45	Wind

ii) RInfra-D submits that it has fully met its Solar and Non-Solar RPO (including mini/micro hydro RPO) till FY 2015-16.

iii) Further RInfra-D has made all possible efforts to comply with the RPO targets for Mini/Micro Hydro. RInfra-D has issued Expressions of Interest (EoI) in November 2016 for purchase from Mini/Micro Hydro sources, but no offers were received. While RInfra-D cannot comment on the reasons for such lack of interest, it is possible that the developers planning to connect to MSEDCL network prefer to sell their power to MSEDCL only, as selling to any Distribution Licensee other than the host Licensee would require Open Access permission, while the power will still be sold at the preferential tariff specified by the Commission. Copy of the advertisement published is attached herewith and marked as **Annexure "3"**.



iv) RInfra-D submits that with regard to RPO pertaining to FY2016-17 the Hon'ble commission, in its Daily Order dated 16th March, 2017 and final Order in Case No 35 of 2017, has allowed RInfra-D to purchase RECs in FY 2017-18 to the extent of any shortfall in RPO compliance for FY 2016-17 and to consider such purchase towards compliance of their RPO targets upto FY 2016-17.

(d) **RInfra-D should submit the details for long term RE Procurement Plan for meeting the RPO targets for FY2017-18.**

Response:

i) RInfra-D has entered into long term contracts to meet its RPO targets for FY2017-18. Any shortfall in meeting the targets would be met by purchase of Renewable Energy Certificates (REC's). Details of the contracts are mentioned in paragraph 2 (c) (i) herein above.

Solemnly Affirmed at)
Mumbai on this)
19th day of December, 2017)

gushyan

Before me,

Mulla & Mulla & Craigie Blunt & Caroe

Dr. Mulla

Partner

Advocates for the Petitioner

JW vakil

HOMIAR NARIMAN VAKIL
Notary, Govt. of India
Regd. No. 11134

M/s. Mulla & Mulla & Craigie Blunt & Caroe
Advocates, Solicitors & Notaries
Mulla House, 51, M. G. Road,
Fort, Mumbai - 400 001.

20 DEC 2017

Sr. No. 1905/2017



ANNEXURE-1

Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005

Tel. 022 22163964/65/69 Fax 22163976

Email: mercindia@merc.gov.in

Website: www.mercindia.org.in / www.merc.gov.in

Case No.35 of 2017

Date: 16 March, 2017

**CORAM: Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member**

Petition of Reliance Infrastructure Limited – Distribution to allow cumulative fulfillment of Renewable Purchase Obligation for FY 2016-17 and FY 2017-18

Reliance Infrastructure Limited –Distribution (RInfra-D) Petitioner
Maharashtra Energy Development Agency (MEDA)

Appearance

For RInfra-D : Shri Ghansham Thakkar (Rep.)
For MEDA : None

For Authorized Consumer Representative : Dr. Ashok Pendse (Rep), TBIA

Daily Order

Heard the Representative of the Petitioner and Authorized Consumer Representative.

1. RInfra-D stated that:

(i) Regulation 7.1 of the Renewable Purchase Obligation (RPO), its Compliance and Implementation of REC Framework Regulations, 2016 ('RPO Regulations, 2016') stipulates the quantum of purchase (in %) by Obligated Entities (OE)s from Renewable Energy (RE) sources for Solar and non-Solar energy aggregating to a particular percentage for the period from FY 2016-17 to FY 2019-20.

(ii) To fulfill the RPO target specified for FY 2016-17, RInfra-D has purchased RE (Solar as well as non-Solar) under long term contracts and also from substantial purchase of non-Solar Renewable Energy Certificates (RECs). Based on the estimated Input Energy (9020 MUs), considering the RE being procured and REC purchase till date for FY 2016-17, there is still a shortfall at present of 24 MUs and 228 MUs (total 252 MUs) for meeting its Solar and non-Solar RPO, respectively. It was proposed to meet this shortfall by purchase of RECs from the Power Exchanges in March, 2017.

(iii) The Central Electricity Regulatory Commission (CERC), in its draft Order dated 28 February, 2017, has proposed a downward revision of the Forbearance and Floor prices of Solar and non-Solar RECs from 1 April, 2017. The proposed Floor price is Rs. 1000/ REC.



(iv) RInfra-D has complied with its RPO target for the earlier period upto FY 2015-16. It is yet to purchase 252 MUs (Solar and non-Solar) equivalent of RECs to meet the RPO target for FY2016-17, which it was proposing to buy in March, 2017. However, if this balance REC requirement is allowed to be purchased in FY2017-18, instead of in March, 2017, the REC purchase cost will be much lower, at Rs. 25 crore considering the lower price expected to be finalized by CERC, as against Rs. 42 crore as per the present REC prices. This would result in benefit of approximately Rs. 17 crore to consumers of RInfra-D.

(v) In view of the above and in exercise of its power under Regulation 16 to relax the RPO Regulations, the Commission may allow RInfra-D to defer the purchase of the balance requirement of REC to the extent of approximately 252 MUs to FY 2017-18, and to allow it cumulative fulfillment of its RPO for FY 2016-17 and FY 2017-18.

(vi) The Commission may intimate its decision before 29 March, 2017, which will be the last occasion for purchase of RECs in FY 2016-17, so that RInfra-D can decide by that date the appropriate course of action for RPO compliance.

2. Dr. Ashok Pendse, on behalf of Thane-Belapur Industries Association (TBIA), an Authorized Consumer Representative, stated that purchasing RECs at the lower Floor Price expected to be finalized by CERC would be of substantial benefit to the consumers. Hence, the proposal of RInfra-D may be agreed to, and a similar dispensation provided to other Distribution Licensees also.
3. The Commission notes that, by its Order dated 28 February, 2017, the CERC has sought stakeholder comments on its proposal to fix, from 1 April, 2017, the Floor prices at Rs. 1,000/MWh for both Solar and non-Solar REC (as against Rs. 3,500 and Rs. 1,500/MWh, respectively, at present); and the Forbearance prices at Rs. 2,500 for Solar and Rs. 2,900/MWh for non-Solar RECs (as against the existing Rs. 5,800 and Rs. 3,300/MWh, respectively). Thus, the CERC has envisaged substantially lower REC prices in FY 2017-18. While these have yet to be finalized, considering the likelihood that they will be significantly lower in FY 2017-18 and the fact that it is already the fag end of FY 2016-17, purchase of RECs now in March, 2017 to meet any remaining RPO shortfall may be considerably more costly for the Distribution Licensees and consequently their consumers (and for other Obligated Entities) than if they could buy RECs for the purpose in FY 2017-18, which commences a few days from now.
4. In these circumstances, the Commission considers it appropriate, in exercise of its power under Regulation 16, to relax the provisions of the RPO Regulations, 2016 while keeping in view the basic purpose of the Regulations, and allow RInfra-D and the other Distribution Licensees and Obligated Entities to purchase RECs in FY 2017-18 to the extent of any shortfall in RPO compliance as on date, and to consider such purchase towards compliance of their RPO targets upto FY 2016-17.

The Case is reserved for Order.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member

True Copy
Mulla & Mulla & Craigie Blunt & Caroe
DMK a/c
Partner



ANNEXURE-2

Journal

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
Tel. 022 22163964/65/69 Fax 22163976
Email: mercindia@merc.gov.in
Website: www.mercindia.org.in / www.merc.gov.in

CASE No. 35 of 2017

In the matter of

Petition of Reliance Infrastructure Ltd. (Distribution) to allow cumulative fulfilment of its Renewable Purchase Obligation targets for FY 2016-17 and FY 2017-18

Coram

Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member

Reliance Infrastructure Ltd. (Distribution)
Maharashtra Energy Development Agency

Petitioner
Impleaded Party

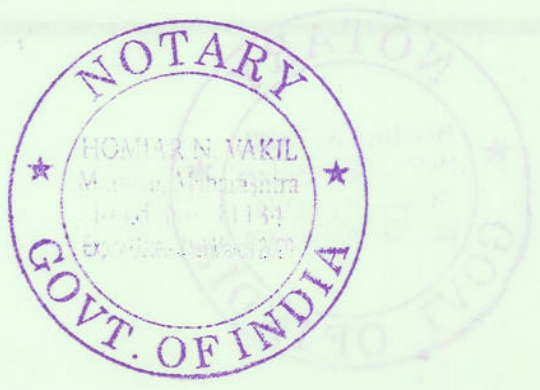
Appearance

For Petitioner : Shri Ghansham Thakkar (Rep.)
For Impleaded Party : None
For Authorized Consumer Representative : Dr. Ashok Pendse (Rep), TBIA

ORDER

Date: 14 July, 2017

1. M/s Reliance Infrastructure Ltd. (Distribution) (RInfra-D), H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai, has filed a Petition on 3 March, 2017 citing Regulations 7 and 16 of the MERC (Renewable Purchase Obligation (RPO), its Compliance and Implementation of REC Framework) Regulations, 2016 ('RPO Regulations' for allowing the cumulative fulfilment of its RPO for FY 2016-17 and FY 2017-18.
2. RInfra-D's prayers are as follows:
 - a. "Allow cumulative fulfilment of Renewable Purchase Obligation target for FY2016-17 and FY2017-18 under Regulation 16 (Power to Relax) of MERC (Renewable Purchase Obligations, its Compliance and Implementation of REC Framework) Regulations 2016..."



3. The Petition states as follows:

- a) Regulation 7.1 of the RPO Regulations specifies the quantum of purchase (in %) by Obligated Entities from Renewable Energy (RE) sources for Solar and non-Solar energy aggregating to a particular percentage for FY 2016-17 onwards upto FY 2019-20:

"7 Renewable Purchase Obligation target

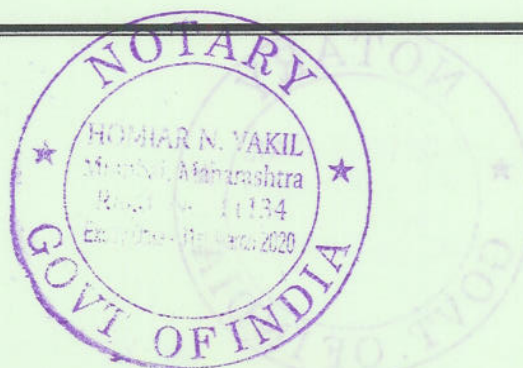
7.1 Every Obligated Entity shall procure electricity generated from eligible renewable energy sources at the percentages as per the following schedule:

<u>Year</u>	<u>Quantum of purchase (in %) from renewable energy sources (in terms of energy equivalent in kWh)</u>		
	<u>Solar</u>	<u>Non-Solar (other RE)</u>	<u>Total</u>
2016-17	1.00%	10.00%	11.00%
2017-18	2.00%	10.50%	12.50%
2018-19	2.75%	11.00%	13.75%
2019-20	3.50%	11.50%	15.00%

- b) To fulfill the RPO targets specified for FY 2016-17, RInfra-D has purchased RE (Solar and non-Solar) from its long term contracts and also purchased non-Solar Renewable Energy Certificates (RECs) to meet its RPO. Based on the estimated Input Energy, the energy available from RE sources for FY 2016-17 and REC purchase till date, there is still a shortfall of 24 MUs and 228 MUs for meeting the Solar and non-Solar RPO, respectively. It had proposed to meet this shortfall by way of purchase of Solar and non-Solar RECs from the Power Exchanges in March, 2017. The summary of the RPO requirement for FY2016-17 is as given below:

<u>Particulars</u>	<u>Solar</u>	<u>Non-Solar (Including Mini-Micro Hydro)</u>
Estimated Input Energy (MUs)	9020	9020
RPO (%)	1	10
RPO Target (MUs)	90.2	902
Estimated RE Availability (MUs)	67	234
Balance Requirement (MUs)	24	668
REC Purchased as on Feb. 2017 (in equivalent MUs)	0	440
Shortfall as on Feb 17 (MUs)	24	228

- c) If the present shortfall is met by purchase of RECs in March, 2017, it would entail a cost of approximately Rs. 42 crore, based on prevailing REC floor price on the Power Exchanges:



<u>Particulars</u>	<u>Solar</u>	<u>Non-Solar (Including Mini-Micro Hydro)</u>
RE Shortfall as on Feb 17 (MUs)	24	228
REC Floor Price (Rs/Unit)	3.5	1.5
REC Cost (Rs Crore)	8	34

- d) The Central Electricity Regulatory Commission (CERC), by its draft Order dated 28 February, 2017, has proposed a reduction in the Forbearance and Floor prices of Solar and non-Solar RECs to be applicable from 1 April, 2017 and invited comments by 20 March, 2017. The existing and proposed REC prices are as given below:

<u>Particulars</u>	<u>Solar</u>		<u>Non-Solar</u>	
	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
Forbearance Price (Rs/REC)	5800	2500	3300	2900
Floor Price (Rs/REC)	3500	1000	1500	1000

- e) RInfra-D is yet to purchase 252 MUs (Solar and non-Solar) equivalent of RECs to meet its RPO target for FY2016-17, which it was proposing to buy in March, 2017. It has complied with its RPO target as specified by the Commission for the prior period upto FY 2015-16.
- f) If this balance REC requirement is allowed to be purchased in FY2017-18, when REC prices are revised by CERC, it will result in REC purchase cost of Rs 25 Crore as against Rs 42 crore based on the existing REC prices, thereby resulting in a benefit of approximately Rs 17 crore to consumers of RInfra-D:

<u>Particulars</u>	<u>Solar</u>	<u>Non-Solar (Including Mini-Micro Hydro)</u>
RE Shortfall as on Feb 17 (MUs)	24	228
REC Floor Price-Existing (Rs/Unit)	3.5	1.5
REC Cost at existing price(Rs Crore)	8	34
REC Floor Price-proposed (Rs/Unit)	1	1
REC Cost at proposed price(Rs Crore)	2	23
Savings (Rs Crore)	6	11

- g) The draft Order of CERC is likely to come into effect from 1 April, 2017 and will certainly result in reducing the REC purchase cost and benefit the consumers.
- h) RInfra-D has already made substantial purchase of RE power and RECs to meet its RPO for FY 2016-17. The Commission may allow it to defer the purchase of the balance requirement of approximately 252 MUs to FY 2017-18 and allow cumulative fulfilment of RPO for FY 2016-17 and FY2017-18 in exercise of its power under Regulation 16 (power to relax) of the RPO Regulations.



4. Vide letter dated 4 March, 2017 requested the Commission for an early hearing since the last REC trading session for FY 2016-17 was scheduled on 29 March, 2017, which was the last opportunity for it to purchase the required to full its RPO target for 2016-17 and avoid Regulatory Charges for non-compliance if its prayer is eventually not granted by the Commission.

5. The proceedings at the hearing held on 16 March, 2017 are summarized as follows:

5.1 RInfra-D reiterated the submissions in its Petition, stating that:

(i) In order to fulfill its RPO target for FY 2016-17, RInfra-D has purchased RE under long term contracts and non-Solar RECs. Based on the estimated Input Energy (9020 MUs), considering the RE being procured and REC purchase till date for FY 2016-17, there is still a shortfall at present of 24 MUs and 228 MUs (total 252 MUs) for meeting its Solar and non-Solar RPO, respectively.

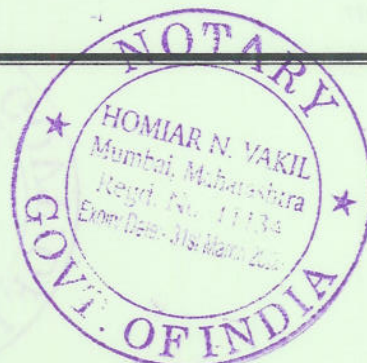
(ii) The CERC, in its draft Order dated 28 February, 2017, has proposed a downward revision of the Forbearance and Floor prices of Solar and non-Solar RECs from 1 April, 2017. The proposed Floor price is Rs. 1000/ REC.

(iii) RInfra-D has complied with its RPO targets upto FY 2015-16. It is yet to purchase the balance 252 MUs (Solar and non-Solar) equivalent of RECs to meet the RPO target for FY 2016-17, which it was proposing to buy in March, 2017. However, if this balance REC requirement is allowed to be purchased in FY 2017-18 instead of in March, 2017, the REC purchase cost will be much lower, at Rs. 25 crore considering the lower price expected to be finalized by CERC, as against Rs. 42 crore at present REC rates. This would result in a benefit of Rs. 17 crore to consumers of RInfra-D.

(iv) In view of the above and in exercise of its power under Regulation 16 to relax the RPO Regulations, the Commission may allow RInfra-D to defer the purchase of the balance requirement of RECs to the extent of approximately 252 MUs to FY 2017-18, and to allow cumulative fulfillment of its RPO for FY 2016-17 and FY 2017-18.

(v) The Commission may intimate its decision before 29 March, 2017, which will be the last occasion for purchase of RECs in FY 2016-17, so that RInfra-D can decide by that date the appropriate course of action for RPO compliance.

5.2 Dr. Ashok Pendse, on behalf of Thane-Belapur Industries Association (TBIA), an Authorized Consumer Representative, stated that purchasing RECs at the lower Floor Price expected to be finalized by CERC would be of substantial benefit to the consumers. Hence, the proposal of RInfra-D may be agreed to, and a similar dispensation provided to other Distribution Licensees also.



5.3 As recorded in its Daily Order, the Commission noted that, by its Order dated 28 February, 2017, CERC has sought stake-holder comments on its proposal to fix, from 1 April, 2017, the Floor price at Rs. 1,000/MWh for both Solar and non-Solar REC (as against Rs. 3,500 and Rs. 1,500/MWh, respectively, at present); and the Forbearance prices at Rs. 2,500 for Solar and Rs. 2,900/MWh for non-Solar RECs (as against the existing Rs. 5,800 and Rs. 3,300/MWh, respectively). Thus, CERC has envisaged substantially lower REC prices in FY 2017-18. While these have yet to be finalized, considering the likelihood that they will be significantly lower in FY 2017-18 and the fact that it is already the fag end of FY 2016-17, purchase of RECs now in March, 2017 to meet any remaining RPO shortfall may be considerably more costly for the Distribution Licensees and consequently their consumers (and for other Obligated Entities) than if they could buy RECs for the purpose in FY 2017-18, which commences a few days from now.

5.4 In these circumstances, the Commission considered it appropriate, in exercise of its power under Regulation 16, to relax the provisions of the RPO Regulations while keeping in view the basic purpose of the Regulations, and allowed RInfra-D and the other Distribution Licensees and Obligated Entities to purchase RECs in FY 2017-18 to the extent of any shortfall in RPO compliance as on date, and to consider such purchase towards compliance of their RPO targets upto FY 2016-17. This was recorded in the Commission's Daily Order.

Commission's Analysis and Ruling

- 6. **Considering the submissions of RInfra-D and of the Consumer Representative TBIA during these proceedings, the Commission has already allowed RInfra-D and other Obligated Entities, vide its Daily Order dated 16 March, 2017, to purchase RECs in FY 2017-18 to the extent of any shortfall in FY 2016-17 RPO compliance as on that date, and to consider such purchase towards compliance of their RPO targets upto FY 2016-17. This dispensation was provided at the fag end of FY 2016-17 considering the substantial cost benefit likely to accrue to consumers from the expected reduction in REC prices by CERC.**
- 7. **The Commission notes that the RPO Regulations, 2016 allow a variation of +/- 5% in the fulfillment of RPO targets in any particular year in exceptional circumstances subject to scrutiny. In the specific case of RInfra-D, considering its estimated Input Energy (MUs) for FY 2016-17 of 9020 MUs (subject to finalization in the forthcoming RPO compliance verification proceedings for that year), the total RPO target is 992.20 MUs, and the stated shortfall of 252 MUs by February, 2017 is well within this band.**
- 8. **The Commission provided the dispensation in its Daily Order in relaxation of the RPO Regulations. The Appellate Tribunal for Electricity (ATE) has, in its Judgment dated 20 April, 2015 in O.P. No. 1 of 2013 and others holding that the carry forward of RPO should be restricted when RECs are available and allowed**



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against RPO, had also observed in that context that the power to relax and the power to remove difficulties under the Regulations should be exercised judiciously and should not be used routinely:

"...vi) The provisions in Regulations like power to relax and power to remove difficulty should be exercised judiciously under the exceptional circumstances, as per law and should not be used routinely to defeat the object and purpose of the Regulations."

The Commission is of the view that the dispensation provided in its Daily Order dated 16 March, 2017 meets these requirements considering the circumstances set out, and would also subserve the interest of consumers without vitiating the object of the Regulations.

9. As had been envisaged, subsequent to the Commission's Daily Order, the CERC substantially reduced the REC prices for FY 2017-18 on 30 March, 2017. However, the Supreme Court stayed the CERC Order on 8 May, 2017 in Civil Appeal No. 6083/2017. While it is true that no time limit for purchase of RECs in FY 2017-18 was stipulated in the Commission's Daily Order, RInfra-D and others would have been expected to exercise due diligence by doing so in the first trading session of FY 2017-18, i.e. in April, 2017, before the Supreme Court stay of 8 May, 2017. For those who did not do so before that date, the Commission will consider on merits, in the RPO compliance verification of FY 2016-17, the subsequent purchase of RECs against the RPO shortfall as in March, 2017 depending on the outcome of the Supreme Court matter, the REC rates finally decided and other relevant circumstances.

The Petition of M/s Reliance Infrastructure Ltd. (Distribution) in Case No.35 of 2017 stands disposed of accordingly.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member

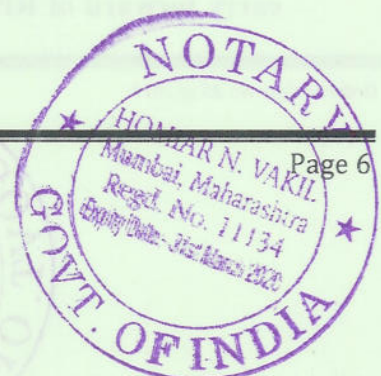
Ashwani
(Ashwani Kumar Sinha)
Secretary



Order in Case No 35 of 2017

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D.K. Caroe
Partner



EXPRESSION OF INTEREST INVITED FOR PURCHASE OF RENEWABLE POWER FROM MINI AND MICRO HYDRO.

Background:

Reliance Infrastructure Limited (Rlnfra) is an electricity distribution company with distribution license to supply electricity in and around the suburbs of Mumbai catering to 2.35 million consumer base.

Renewable Energy (RE) Purchase from Mini/Micro Hydro:

Rlnfra invites bids to Procure upto 1 MW of renewable energy from the grid connected Mini & Micro Hydel generation projects on long term basis within the state of Maharashtra/outside Maharashtra as under:

- Category 1 – Capacity above 500 kW & upto & including 1MW at single location.
- Category 2– Capacity 500 kW & below at single location.

Rlnfra is procuring this Renewable Energy to fulfill its mandatory RPO obligation, the successful bidder shall not raise REC against this RE power sold to Rlnfra.

The tariff applicable for the purchase of power from Mini and Micro Hydel sources shall be as approved by Maharashtra Electricity Regulatory Commission (MERC), according to the date of commissioning of the project.

Interested parties whose plants are commissioned or under commissioning or proposing to set-up may submit their bids in sealed envelope on or before 14/12/2016 to mentioned address.

Details:

1. Name & Address of the Company
2. Telephone nos., fax, email, website
3. Type of project
4. Date of Commissioning (COD)
5. Location Site of the project
6. Installed Capacity (MW)
7. Capacity intending for sale (MU)
8. Duration for sale
9. Whether firm is already in agreement to sell the RE? If yes, furnish the details of the arrangement.
10. Whether the firm is availing accelerated depreciation benefit?
11. Date from which supply can be made available.
12. Point of injection (Voltage and Substation connected)
13. Technical specifications of the plant machinery
14. Current status of Project w.r.t. the following:
 - a. Land Acquisition
 - b. Evacuation Arrangement
 - c. Equipment
 - d. Financing
 - e. Statutory Clearances

For any clarifications, interested parties may contact office of the Power Procurement Group at below mentioned address.

Rlnfra reserves the right to reject any application without assigning any reason thereof.

Power Procurement Group

Reliance Infrastructure Limited
 CTS -407/A, (New), 408 Old Village
 Eksar, Devidas Lane Off. SV PRoad
 Near Devidas Lane Telephone Exchange
 Borivali (W), Mumbai 400 103
 Phone No: 022 3009 8747
 Fax: +91 22 3009 8788

Registered Office:

H Block, 1st Floor
 Dhirubhai Ambani Knowledge City
 Navi Mumbai 400 710
 Rlnfra CIN: L99999MH1929PLC001530



RELIANCE

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Mulla & Mulla & Craigie Blunt & Caroe

Signature

Partner

BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION, MUMBAI

IN THE MATTER OF

100% unregulated tariff submitted by M&P as per dated 20th December 2017

AND

IN THE MATTER OF

Letter dated 21st November 2017 bearing reference no. M&P/REG/2017-17/241 from the Director (Retail), M&P addressed to Petitioner (Petitioner) dated (Retail) seeking verification of compliance of Petitioner's Petitioner's request dated 20th December 2017 for 100% unregulated tariff. M&P Petitioner's Petitioner's compliance and implementation of 100% unregulated tariff.

ADVOCATE IN BEHALF OF PETITIONER

Dated this 1st day of December 2017



Advocate for Petitioner (Retail) M&P
Office: Room 21, M. D. Road, Fort,
Mumbai - 400 001

**BEFORE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

IN THE MATTER OF:

RPO Compliance Data submitted by MEDA vide letter
dated 20th November 2017

AND

IN THE MATTER OF:

Letter dated 21st November 2017 bearing reference
no: MERC/RE Cell/RPO/2016-17/4741 from the
Director (Tariff), MERC addressed to Reliance
Infrastructure Limited ("RInfra-D") seeking
verification of compliance of Renewable Purchase
Obligation targets of RInfra-D for FY 2016-17, as
specified under MERC (Renewable Purchase
Obligation, its compliance and Implementation of REC
framework) Regulations, 2016.

**AFFIDAVIT IN REPLY ON BEHALF OF
RELIANCE INFRASTRUCTURE LIMITED**

Dated this 19th day of December, 2017



Mulla & Mulla & Craigie Blunt & Caroe
Advocates for Reliance Infrastructure Limited
Mulla House, 51, M.G. Road, Fort,
Mumbai 400 001