

OSHO Developers

Executive Director
Dy Director (Balu Ugale)

Date: 07th July, 2017

To
Maharashtra Electricity Regulatory Commission,
13th Floor, Centre No. 1, World Trade Centre,
Cuffe Parade, Colaba,
Mumbai - 400 005

MERC	
Date	10/7/17
No.	6858

10/7/17

Subject: Reply to Notice dated 23.06.2017 issued by Maharashtra Electricity Regulatory Commission

Ref: MERC/Case No. 101 of 2017/2017-18/3392

Sir,

This is with reference to the notice dated 23.06.2017 issued by Maharashtra Electricity Regulatory Commission (MERC) bearing Memo No. MERC/Case No. 101 of 2017/2017-18/3392 whereby the Hon'ble Commission has initiated suo-motu proceedings for verification and compliance of Renewable Purchase Obligation targets for FY 2010-11 to FY 2013-14 by obligated entities.

In regard to the same, may I seek your kind attention to the fact that we are renewable energy generators in the state of Maharashtra engaged in the business of generation and supply of renewable energy to the distribution licensee or end consumers or captive generators. The Electricity Act 2003 conferred powers to this Hon'ble Commission under Section 61, 66, 86(1)(e) and 181 to frame regulations or rules for promotion of generation and co-generation of renewable energy. This Hon'ble Commission, by virtue of the said powers under the Electricity Act 2003, framed the MERC (Renewable Purchase Obligation, its compliance and REC framework implementation) Regulation 2010 wherein Section 2(m) provides for "obligated entity" meaning –

"Obligated entity" means the distribution licensee, users owning captive power plants and open access consumers in the state of Maharashtra who have to mandatorily comply with renewable purchase obligation under these Regulations subject to fulfilment of conditions outlined under Regulation 5

In view of the above proviso, we being a renewable energy generator do not fall under the category of obligated entity and therefore, we humbly submit that we do not fall under the ambit of MERC (Renewable Purchase Obligation, its compliance and REC framework implementation) Regulation 2010, as amended. Moreover, Regulation 5 of the said regulation provides for fulfilment of Renewable Purchase Obligation for grid connected Captive--Generating Plant having an installed capacity of 1 MW and above, or open access

consumers having a contract demand of 1 MVA and above. The relevant extract has been reproduced herein below –

"5. Obligated entities

5.1 The minimum percentage as specified under Regulation 7.1 shall be applicable to all Distribution Licensees in the state of Maharashtra as well as to open access consumers and captive users within the state of Maharashtra, subject to following conditions:

(a) Any person who owns a grid connected Captive Generating Plant with installed capacity of 1 MW and above (or such other capacity as may be stipulated from time to time) and consumers electricity generated from such plant for his own use: shall be subjected to minimum percentage of RPO to the extent of his consumption met through such captive source.

(b) Any person having a contract demand of not less than 1 MVA and who consumes electricity procured from conventional fossil fuel based generation through open access as per Section 42(2) of the Act shall be subjected to minimum percentage of RPO to the extent of his consumption met through such open access source.

Provided that the State Commission may by order, revise the minimum capacity referred to under sub-clause (a) and sub clause (b) above from time to time.

Provided further that condition under sub clause (a) shall not be applicable in case of Standby (or Emergency back-up) Captive Generating Plant facilities."

Further the above regulation amply clarifies that we, Osho Developers, do not fall into the category of obligated entity and therefore is not mandated to fulfil RPO in line with this Regulation.

We shall be grateful to you if you can kindly consider our position as stated above.

Thanking You

Yours sincerely,
For Osho Developers



Partner

**CC: Maharashtra Energy Development Agency
MHADA Commercial Complex, II Floor,
Opp: Tridal Nagar, Yerwada, Pune – 411 006 (Maharashtra)**