



**Construction, CPED and Environment**

REF: CPED/MERC17-18/666

8<sup>th</sup> July'2017

Secretary  
Maharashtra Electricity Regulatory Commission (MERC)  
13<sup>th</sup> floor, Centre No.1, World Trade Centre,  
Cuffe Parade, Colaba,  
MUMBAI: 400 005.

**SUB: Submission of our response and views on the data furnished by MEDA in respect of verification of compliance of Renewable Purchase Obligation by Captive Power Plant Users and Open Access Consumers in Maharashtra for FY2010-11 to FY2013-14 (MERC Case No.101 of 2017).**

**Ref: 1) Your letter No: MERC/Case No.101 of 2017/2017-18/3223 dated 23<sup>rd</sup> June 2017.**  
**2) Your letter No: MERC/Case No.101 of 2017/2017-18/3459 dated 23<sup>rd</sup> June 2017.**

Dear Sir,

As directed by the Hon'ble Commission, we are hereby submitting our responses to the letters under Ref: 1) & 2) and also our views & suggestions in Case No.101 of 2017 which are as follows,

**1) Tata Motors is not an "Obligated Entity":→**

We are reproducing the the definition of "**Obligated Entity**" as specified in Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations 2010, as mentioned below,

***Quote***

*i) 'obligated entity' means the entity mandated under clause (e) of sub-section (1) of Section 86 of the Act to fulfil the renewable purchase obligation;*

***Unquote***

Clause (e) of sub-section (1) of Section 86 of Electricity Act 2003 says,

***Quote***

*(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;*

***Unquote***

Clause (1) of CERC RPO Regulations 2010 says,

***Quote***

*1) 'renewable energy sources' means renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste and such other sources as recognized or approved by MNRE;*

***Unquote***

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From above referred clauses it is clear that the “**Obligated Entities**” are those Consumers who source the power from Conventional Fossil Fuel based sources through Open Access to fulfill their electricity demand.

To promote the use of electricity generated from Renewable Energy sources, CERC has mandated the “**Obligated Entities**” to use the specified percentage of energy annually from Renewable Energy Sources. Renewable Energy Sources like Wind & Solar are the identified & approved by MNRE and CERC whose generation could be used for RPO Compliance.

Tata Motors utilizes the wind power generation through Open Access from its offsite 21.95 MW Captive Wind Farms and also through Third Party Wind Power Purchase for the period FY2010-11 to FY2013-14. As per CERC RPO Regulations, 2010 wind power is an eligible Renewable Energy Source. This means although Tata Motors is an Open Access Consumer; it cannot be classified as “**Obligated Entity**” because it sources entire Open Access power from eligible Renewable Energy Source. Therefore, **RPO Compliance is “Not Applicable” to Tata Motors Ltd and hence Tata Motors Ltd is exempted from RPO Compliance for use of wind power.**

## 2) **Tata Motors is Renewable Energy Based CPP/Open Access Consumer:→**

Maharashtra Energy Development Agency (MEDA) has acknowledged that Tata Motors is Renewable Energy based CPP/Open Access Consumer. MEDA has confirmed in their submissions to Hon’ble Commission in Case No.101 of 2017 that **Captive Wind Power Use of Tata Motors Ltd is Exempted CPP**. MEDA submissions to Hon’ble Commission in respect of RPO Compliance shows that Tata Motors name is included in the lists of “**Exempted CPP – Satisfactory**”, “**Exempted OA Consumers (REC Accredited Proejcts)**” and “**Exempted OA Consumers (Satisfactory)**” are in support of this fact.

### ANNEXURE – A

**Name of the Company/Organization:** Tata Motors Ltd.

**Obligated Entities** (tick the appropriate option): Captive User (CPP): ( ) or Open Access (OA) Consumer: ( ) or **Exempted Captive User/ Open Access Consumer ( ✓ )**

**Name of the Distribution Licensee’s Area:** Maharashtra State Electricity Distribution Company Limited (MSEDCL)

**For CPP:** Plant Installed Capacity (in MW): NA (Captive Use from power plant in MW: NA, Sale outside/third party (in MW): NA)

**For OA Consumer:** Contract Demand (in MVA): 0.00 (Source:           , Consumption location :           )

Year	Contract Demand	Total Energy Consumption	Solar RPO			Non-Solar RPO			Total energy to be procured as per RPO	Total RE procure ment (Solar + Non-Solar) (A + B)	Shortfall	Cumulative Shortfall
			Solar RPO Target	Energy actually procured against target (A)	Non-Solar RPO Target	Energy actually procured against target (B)						
	MVA	MU	MU	MU		MU	MU		MU	MU	MU	MU
				Solar REC	Solar RE		Non-Solar REC	Non-Solar RE				
F.Y 10-11	0	0	0	0	0	0	0	0	0	0	0	0
F.Y 11-12	0	0	0	0	0	0	0	0	0	0	0	
FY 12-13	0	0	0	0	0	0	0	0	0	0	0	
FY 13-14	0	0	0	0	0	0	0	0	0	0	0	

The OA consumer/ CPP user may refer the total year wise target for RPO is specified in Regulation 7.1 of RPO Regulations, 2010 for reconciliation.



**The above mentioned scanned copy of Annexure-A to letter under Ref:1) rightly confirms the fact that Captive Use of Renewable Energy by Tata Motors is exempted from RPO Compliance.**

**3) Tata Motors use of Renewable Energy under Open Access is exempted from RPO Compliance:→**

Annexure-A to the letter under Ref: 2) shows that there is 11.01 MU cumulative shortfall of RPO Compliance by Tata Motors Ltd (Open Access Consumer) from FY2010-11 to FY2013-14. Please find below the scanned copy of Annexure - A to letter under Ref: 2) which shows year wise details of cumulative shortfall of RPO Compliance from FY2010-11 to FY2013-14.

**ANNEXURE – A**

**Name of the Company/Organization:** Tata Motors Limited

**Obligated Entities** (tick the appropriate option): Captive User (CPP): ( ) or **Open Access (OA) Consumer: (✓)** or Exempted Captive User/ Open Access Consumer ( )

**Name of the Distribution Licensee's Area:** Maharashtra State Electricity Distribution Company Limited (MSEDCL)

**For CPP:** Plant Installed Capacity (in MW): NA (Captive Use from power plant in MW: NA, Sale outside/third party (in MW): NA)

**For OA Consumer:** Contract Demand (in MVA): 27.43 (Source: \_\_\_\_\_, Consumption location : \_\_\_\_\_)

Year	Contract Demand	Total Energy Consumption	Solar RPO			Non-Solar RPO			Total energy to be procured as per RPO	Total RE procurement (Solar + Non-Solar) (A + B)	Shortfall	Cumulative Shortfall
			Solar RPO Target	Energy actually procured against target (A)	Non-Solar RPO Target	Energy actually procured against target (B)						
	MVA	MU	MU	MU		MU	MU		MU	MU	MU	MU
				Solar REC	Solar RE		Non-Solar REC	Non-Solar RE				
F.Y 10-11	27.43	49.9790	0.1249	0	0	2.8738	0	0	2.9987	0	2.9987	11.0141
F.Y 11-12	27.43	18.5118	0.0463	0	0	1.2495	0	0	1.2958	0	1.2958	
FY 12-13	27.43	3.9168	0.0098	0	0	0.3035	0	0	0.3133	0	0.3133	
FY 13-14	27.43	71.1803	0.3559	0	0	6.0503	0	0	6.4062	0	6.4062	

The OA consumer/ CPP user may refer the total year wise target for RPO is specified in Regulation 7.1 of RPO Regulations, 2010 for reconciliation.

We request Hon'ble Commission to refer "Table C – Summary of RPO Report of Exempted OA Consumers on the basis of reports of MSEDCL & MSETCL for FY2010-11 to FY2013-14" of MEDA Submission - 2 which indicates that Tata Motors Ltd as Open Access Consumer has sourced these 11.01 MUs from Renewable Energy source (Wind) through Open Access from REC Accredited Project.

As mentioned in CERC RPO Regulations 2010, Wind is an eligible Renewable Energy Source for RPO Compliance. This means Wind Generation could be used for RPO Compliance by the "Obligated Entities". We reiterate that Tata Motors Ltd is not an "Obligated Entity" for RPO Compliance as envisaged by CERC RPO Regulations, 2010. Hence, the Open Access Renewable Energy generation from eligible RE Source (Wind) consumed by Tata Motors Ltd as Open Access Consumer not being an "Obligated Entity" is not eligible for RPO Compliance.



**Therefore, we request Hon'ble Commission to disallow the cumulative shortfall of 11.01 MU for RPO Compliance by Tata Motors Ltd as indicated in Annexure – A to letter under Ref:2).**

**4) For CPP incase of Standby (or emergency back-up):→**

We reproduce clause 5.1 of MERC (RPO, its compliance and implementation of REC framework) Regulations, 2010 wherein sub-clause (b) further substantiates our view that Tata Motors Ltd being an Open Access Consumer of Renewable Energy is not an “Obligated Entity” for RPO Compliance.

***Quote***

***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 consumes 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) above, shall not be applicable in case of Standby (or Emergency back-up) Captive Generating Plant facilities.*

***Unquote***

**As already informed to Maharashtra Energy Development Agency (MEDA) through our earlier correspondence, we have total 61 MW D.G. sets installed as standby, emergency power supply for our Pimpri, Chinchwad & Maval Plants. As per second proviso to clause 5.1 above, these standby D.G. sets are not eligible for RPO Compliance.**

**5) In the end we wish to submit our following views & comments on Renewable Energy Certificate (REC) and Renewable Purchase Obligation (RPO) compliance,**

- (i) As per the provisions of RPO Regulations 2010, the Obligated Entities are essentially those Distribution Licensees and Open Access Consumers who use electricity generated from Fossil Fuel based sources. Electricity Act 2003 has envisaged promotion of cogeneration & Green Power generation from Renewable Energy Sources.
- (ii) Based on these guidelines CERC has devised Renewable Energy Certificate (REC) framework to promote & facilitate the generation and usage of **Green Power which is the DNA of Renewable Energy and also the REC Framework.**





- (iii) Due to mismatch between availability of Renewable Energy Sources and requirement of Obligated Entities to fulfill their RPO, the REC Framework contain two important attributes viz. use of Renewable Energy and sale of Renewable Energy Certificate (REC) to promote the RE generators to generate Green Energy and additional financial support to RE generators. Therefore, sale of REC by a Renewable Energy Generator does not cancel the Green Energy status of corresponding Renewable Energy quantum used by an Open Access Consumer.
- (iv) The purchaser of Renewable Energy Certificate (REC) is only supporting the idea of promotion of Renewable Energy generation and is not generating the Renewable Energy himself. Therefore, the Green Power status of RE Power generated by the saler of RECs cannot be neglected and should be allowed to remain as Green Power.
- (v) In line with Tata Group guidelines & policies on Climate Change, Tata Motors uses Green Energy generated from Renewable Energy sources through Open Access. This is a voluntary contribution from Tata Motors for promoting the use of Green Power. Therefore, we are of the view that adhering to the DNA of REC Framework the Green Energy status of Renewable Energy should not get cancelled only because an Open Access Consumers like Tata Motors uses Renewable Energy generated from REC Accredited projects.

We request Hon'ble Commission to consider our responses as submitted above to confirm the exemption of Tata Motors Ltd from Obligated Entities for RPO Compliance.

Thanking you,

Yours faithfully,  
For **TATA MOTORS Ltd.**,

**Nitin B Tilak**  
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Encl: (1) Copies of TML RPO Compliance letters to MEDA.  
(2) Copies of relevant extracts from MEDA's submission to MERC.