



महाराष्ट्र विद्युत नियामक आयोग Maharashtra Electricity Regulatory Commission

MERC/ Case No. 101 of 2017/2017-18 / 36 10

Date: 23 June, 2017

NOTICE

To

Motor Industries Co. Ltd.
75, Industrial Co. Ltd.,
Satpur, Nashik - 422007

Subject: Suo-Motu proceedings for Verification and Compliance of Renewable Purchase Obligation targets for FY 2010-11 to FY 2013-14 by Obligated Entities (Other than Distribution Licensees)

(Case No. 101 of 2017)

Ref: Re-validation Report submitted by MEDA vide letter no. BP/RPO Status/CR-116/2015-16/391 dated 30 January, 2016.

Sir,

Under the MERC (Renewable Purchase Obligation, its Compliance and Implementation of REC framework) Regulations, 2010 ('RPO Regulations, 2010'), the Commission has specified the Renewable Purchase Obligation (RPO) targets for Obligated Entities, i.e. Distribution Licensees, Captive Users and Open Access Consumers, in Maharashtra for F.Y 2010-11 to F.Y 2015-16. The RPO targets, specified in Regulation 7.1 are as follows:

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
2010-11	0.25%	5.75%	6.0%
2011-12	0.25%	6.75%	7.0%
2012-13	0.25%	7.75%	8.0%
2013-14	0.50%	8.50%	9.0%
2014-15	0.50%	8.50%	9.0%
2015-16	0.50%	8.50%	9.0%

Regulation 5(5.1) specifies the following RPO applicability criteria for Obligated Entities:

“ 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.”

The proviso to Regulation 11.3 specifies the RPO exemption criteria for Captive users and Regulations 11.1 to 11.4 sets out the provisions for compliance by Captive Users and Open Access Consumers:

“11.1 Subject to fulfilment of conditions outlined under Regulation 5.1, every Captive User and Open Access consumer shall submit necessary details regarding total consumption of electricity and power purchase from renewable energy sources towards fulfilment of its RPO on monthly basis to the State Agency.

11.2 Captive User(s) and Open Access Consumer(s) shall purchase renewable energy as stated in Regulation 7.1 and accordingly shall enter into long term arrangement to meet its RPO obligations.

11.3 If the Captive User(s) and Open Access consumer(s) are unable to fulfil their obligation, they shall be liable to pay RPO Regulatory Charges as specified in Regulation 12.1.

ANNEXURE - A

Name of the Company/Organization: Motor Industries Co. 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): NA (Source: , Consumption location :)

Year	Capacity MW	Total Energy Consumption MU	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)									
						MU									
						Solar REC					Solar RE				
MU	MU	Non-Solar REC	Non-Solar RE												
				FY 10-11	NA		0	0	0	0		0	0		
						FY 11-12					NA			0	0
FY 12-13	NA	0	0												
				FY 13-14	NA		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.

Note: Annexure-A should be reconciled and re-submitted by the Open Access Consumer/ Captive User. In case any of the head/segment remaining blank or erroneous, the Open Access Consumer/ Captive User should provide correct details in the response.

Provided further that captive user(s) consuming power from grid connected fossil fuel based co-generation plants, are exempted from applicability of RPO target and other related conditions as specified in these Regulations.

11.4 Captive/Open Access consumer(s)/User(s) may fulfil their RPO through procurement of the Renewable Energy Certificate as provided in Regulation 8."

Regulation 12 empowers the Commission to deal with shortfalls by Obligated Entities in meeting their RPO targets.

"12. RPO Regulatory Charges

12.1 If the Obligated Entity fails to comply with the RPO target as provided in these Regulations during any year and fails to purchase the required quantum of RECs, the State Commission may direct the Obligated Entity to deposit into a separate fund, to be created and maintained by such Obligated Entity, such amount as the Commission may determine on the basis of the shortfall in units of RPO, RPO Regulatory Charges and the Forbearance Price decided by the Central Commission; separately in respect of solar and non-solar RPO:

Provided that RPO Regulatory Charges shall be equivalent to the highest applicable preferential tariff during the year for solar or non-solar RE generating sources, as the case may be, or any other rate as may be stipulated by the State Commission:

Provided further that the fund so created shall be utilised, as may be directed by the State Commission."

In its Order dated 22 July, 2013 in Case No. 49 of 2013 regarding compliance of RPO targets by Captive Users and Open Access consumers for FY 2010-11 and FY 2011-12, the Commission stated as follows:

25.[The Commission] directs all Captive Users and Open Access Consumers to fulfil their RPO targets for both Solar and Non-Solar for all Four years i.e. FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 cumulatively before 31 March, 2014. Thus, the Commission hereby relaxes/waives the provisions of Regulation 7 of the MERC (RPO-REC) Regulation 2010 for the year during FY 2010-11, FY 2011-12 and FY 2012-13.

26. The Commission also decides that no regulatory charges shall be applicable on Captive Users and Open Access Consumers for non fulfilment of RPO targets during FY 2010-11, FY 2011-12 and FY 2012-13 provided that the same shall be fulfilled on a cumulative basis as specified in the relevant sections of this order."

In accordance with Regulation 9.6 of the RPO Regulations, 2010, the Maharashtra Energy Development Agency (MEDA), vide its letter dated 30 January 2016 , submitted the RPO

settlement data for Captive Users and Open Access consumers in Maharashtra from FY 2010-11 to F.Y 2013-14.

In this background, the Commission has decided to undertake proceedings for verification of compliance of RPO targets of Obligated Entities (excluding Distribution Licensees) from FY 2010-11 to FY 2013-14 and thereafter initiate, if required, necessary actions in accordance with Regulation 12 of the RPO Regulations, 2010.

In this regard you are required to furnish your responses on or before **10 July, 2017** in respect of the following:

- a) Reconciliation of the total consumption details and the RPO settlement details for Solar, Non-Solar and Mini/Micro Hydro Power from F.Y 2010-11 to F.Y 2013-14 with the data provided by MEDA at **ANNEXURE- A**, along with justification and documentary evidence, such as power procurement bills, REC certificates, etc. in support of your claim.
- b) In case any shortfall against the RPO targets, details of the actions and efforts undertaken during F.Y 2010-11 to F.Y 2013-14 to ensure compliance of RPO targets in respect of Solar, Non-Solar and Mini/Micro Hydro Power, for the each year separately.
- c) If you are not covered under the definition of "Obligated Entities" required to fulfil RPO, details in support and certification from any of the following authorities;
 - i) **For Off-Grid Captive Power Plants (CPP)**, certification from concerned Distribution Licensee/Transmission Licensee as the case may be.
 - ii) **For Grid connected CPP having Co-generation facility**, certification from concerned Distribution Licensee/Transmission Licensee/Electrical Inspector, PWD, Government of Maharashtra/ MEDA;
 - iii) **For CPP in case of Standby (or emergency back-up)** certification from concerned Distribution Licensee/Electrical Inspector, PWD, Government of Maharashtra.
 - iv) **For Renewable Energy based CPP/Open Access consumers**, certification from MEDA.
 - v) **In case of Open Access consumers**, certification from concerned Distribution Licensee/Transmission Licensee as the case may be.

Notice is also given hereby that the Commission will hold a Public Hearing in the above matter on **1 August, 2017 at 11.00 hrs, at Centrum Hall, 1st Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai - 400 005.**



Secretary

Maharashtra Electricity Regulatory Commission.

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The Chief Electrical Inspector,
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