

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005**  
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**CASE Nos. 108 of 2016**

**Date: 9 March, 2017**

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

**Case No. 108 of 2016**

Petition filed by Maharashtra State Electricity Distribution Co Ltd., for review and merging of Solar & non-Solar RPO targets and to specify a composite RPO target by clubbing both Solar & non Solar RPO targets, and other issues.

Maharashtra State Electricity Distribution Company Limited (MSEDCL) ..... Petitioner

1. BEST Undertaking
2. The Tata Power Company Ltd. (Distribution) (TPC-D)
3. Reliance Infrastructure Ltd. (Distribution) (RInfra-D)
4. Maharashtra Energy Development Agency(MEDA) .....Impleaded Parties

**Appearance**

For the Petitioner	: Shri. Ashish Singh, Adv.
For BEST Undertaking	: Shri. N.P Jagaldas (Rep.)
For TPC-D	: Smt. Swati Mehendale (Rep.)
For RInfra-D	: Shri. Ghansham Thakkar (Rep.)
For MEDA	: Shri. P.C. Diwakar (Rep.)
For Consumer Representative	: Shri. Dr. Ashok Pendse, TBIA

**DAILY ORDER**

Heard the Advocate/Representatives of the Petitioner and Impleaded Parties.

1. Advocate of MSEDCL stated that, considering the thrust of Policies of both State and Central Government for development of Solar projects, the targets fixed under Regulation 7.1 of the RPO Regulations, 2016 for Solar and non-Solar energy procurement may be clubbed as one composite target by amending the Regulations under Regulation 18. Since a significant rise is expected in Solar capacity addition and comparably lesser rise is expected in non-Solar generation capacities, the Solar, non-Solar RPO targets are required to be reviewed. The Solar target needs to be increased with proportionate reduction in non-Solar target, or both targets should be clubbed. He further submitted that the intention of merging both the targets is also commercial in nature as

ample Solar power is available at a comparatively cheaper price. He mentioned that other Distribution Licensees also supported the clubbing of the targets.

2. The Commission asked MSEDCL as to whether it had considered the impact on non-Solar RE power, particularly power from the new Wind power projects which would come up in the near future, and observed that Maharashtra was one of the leading States in Wind Energy potential and capacity.

3. On the prayer of MSEDCL for holding all Obligated Entities having installed capacity/contract demand not less than 1 MW/MVA and below 5 MW/MVA eligible for RPO, the Commission asked MSEDCL how it affected MSEDCL's RPO targets. In reply, Advocate of the MSEDCL submitted that, with smaller consumers being taken out of the ambit of RPO fulfillment, the onus to purchase RE & fulfill the RPO is on the Discoms and a few large entities engaged in Captive and Open Access (OA). The Commission observed that this justification is not at all in line with the RPO Regulations.

4. The Commission also observed that, though MSEDCL is also concerned about the verification of RPO compliance by the Obligated Entities, MSEDCL itself has not yet submitted its responses to the Commissions queries required for such verification.

5. RInfra-D stated that the reason for setting the Solar RPO targets (0.25% for FY 2010-11 to FY 2012-13 and 0.50% for FY 2013-14 to FY2015-16) in the earlier RPO Regulations, 2010 was because Government of India (through JNNSM) had set 3% of Solar RPO target by 2022, and that the cost of Solar power was relatively high in comparison to others. Prescribing Solar specific targets resulted in positive development in the solar sector and ultimate reduction in the tariff. In the earlier Control Period the preferential tariff for Solar energy was Rs.17.91/Unit, which is now rapidly decreasing every year, whereas tariff of non-Solar energy was approximately Rs.5 to 6 /Unit. Now solar power has almost achieved Grid parity and hence there has an inherent advantage. At the same time, there is a need to promote and protect the existing non-Solar RE sources of energy.

RInfra-D suggested that the Commission may consider specifying non-Solar RPO target, based on the ratio of non-Solar RE energy currently being procured by Discom and Input Energy of Discoms, and allow Discoms to meet the balance RPO target by Solar. This will provide flexibility to the Utility to procure the available mode of power which may be more suitable to its demand pattern.

6. TPC-D stated that, even though now Solar power has operational and commercial benefits, TPC-D has already tied up for non-Solar power as per the targets specified in the RPO Regulations, 2016, and that needs to be taken into account. Regarding Obligated Entities between 1 to 5 MW/MVA and their RPO compliance, TPC-D stated that OA/ CPP consumption is excluded from the Discoms consumption, and it is not required to meet the RPO of these Obligated Entities. Hence, there is no impact on Discoms.

7. BEST agreed that the Commission may specify a composite RPO target for both Solar and non-Solar power.

8. Dr Ashok Pendse, on behalf of Thane Belapur Industries Association (TBIA), an Authorised Consumer Representative, stated that, while the Solar RPO quantum may be increased, the quantum of non-Solar (specifically Wind ) power cannot be ignored, and a balanced view may be taken while deciding the RPO targets. Moreover, the Distribution Licensees might have already tied up non-Solar power as per the targets specified in the RPO Regulations, 2016.

9. Green Energy Association (GEA), through Adv.Ms.Dipali Seth, mentioned its Intervention Application and stated that, if the Solar and non-Solar targets are to be merged then, GEA and its members will be directly affected and hence may be allowed to intervene. The Commission observed that,considering the prayers of MSEDCL, if a prima facie case emerged for amending the RPO Regulations, then the Commission would undertake a separate due process of public consultation in which GEA and other stakeholders would have an opportunity to give their views and be heard.Hence,it was not inclined to allow the intervention at this stage.

**Case is reserved for Orders.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**