

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 75 of 2017

Date: 7 September, 2017

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

Petition of M/s. Bilt Graphic Paper Products Limited under Regulation No. 92 of the MERC (Conduct of Business) Regulations, 2004, and Regulation 16 & 18 of the MERC (Renewable Purchase Obligation, its Compliances and Implementation of Renewable Energy Certificate Framework) Regulations, 2016.

M/s. Bilt Graphic Paper Products Limited (BGPPL) Petitioner

Appearance

For the Petitioner

: Mr. Satish Bapat (Rep.)

: Mr. Uday Kukde (Rep.)

: Mr. Nagendra Bhat (Rep.)

For Authorized Consumer Representative

: Dr. Ashok Pendse, TBIA

DAILY ORDER

Heard the Petitioner.

1. BGPPL in its presentation stated that:

- i) It has two grid connected co-generation Captive Power Plants (CPPs) at its two separate manufacturing facilities at Ballarpur and Bhigwan in Maharashtra. Ballarpur has a composite Plant which operates on fossil fuel as well as on Biomass, with total installed capacity of 67.5 MW (present maximum generation is 45 MW: 15 to 18 MW from Biomass Boiler and 27 to 30 MW from Fossil Fuel based boiler). Bhigwan has a Captive Co-generation Plant exclusively based on fossil fuel with installed capacity of 60 MW (2 x 30 MW), and only one 30 MW Plant is presently in operation. Its Biomass/fossil fuel Plant has received accreditation as a Renewable Energy (RE) Generating Station from Maharashtra Energy Development Agency (MEDA) on 13 May, 2016.
- ii) Total generation in FY 2016-17 from Ballarpur and Bhigwan was 229.98 MUs and 100.16 MUs, respectively. Out of 229.98 MUs generated from the Ballarpur Plant, the generation from its Biomass-based Captive Co-generation Plant was 110.23 MUs. Considering the generation in FY 2016-17 from its grid connected fossil fuel based Captive Co-generation Plants at both places, the Renewable Purchase Obligation (RPO) target for such generation would be 21.99 MUs for non-Solar power and 2.20 MUs for Solar power. Thus, non-Solar generation is five times its non-Solar RPO targets for FY 2016-17.

- iii) The Commission in its RPO Regulations, 2016 has omitted the provision of exemption of applicability of RPO targets for Captive users consuming power from grid connected fossil fuel based Co-generation Plants. Due to this omission, BGPPL has to fulfill the RPO targets as its grid connected Captive Co-generation Plants have a capacity of more than 5 MW. Hence, the Commission may suitably modify/amend the RPO Regulations, 2016 to the extent that the grid connected Co-generation fossil fuel based CPPs are exempted from RPO targets. However, since this issue is already before the Commission in Case Nos. 69, 71 and 73 of 2016, the Commission may give appropriate Orders in those Cases.
- iv) If the Commission is not inclined to amend/modify the RPO Regulations, 2016, it may consider its two alternative prayers viz. i) to exempt BGPPL from fulfilling its Solar RPO target in lieu of its excess non-Solar (generation from its Bio-mass Plant), i.e setting off non-Solar against Solar RPO, or ii) permit BGPPL to defer its Solar RPO by two years, i.e Solar RPO of FY 2016-17 to be met in FY 2018-19.
2. The Commission observed that the process of RPO compliance verification of CPP and OA consumers has already been started, and Public Hearing in Case No 101 of 2017, for RPO compliance verification of 683 CPP and OA consumers for four years i.e. FY 2010-11 to FY 2013-14, was held on 1 August, 2017 and 2 August, 2017. On similar lines the process of verification of RPO compliance of CPP and OA consumers for the next 3 years, FY 2014-15 to FY 2016-17 will also be initiated.
3. Hence, BGPPL may approach the Commission during those proceedings with all its issues. Deciding its issues in the present Petition would amount to prejudging the outcome of the future RPO verification proceedings for CPP and OA consumers, and considering a separate individual Petition may not be fruitful at this stage. As regards the issue of non-compliance of RPO targets of BGPPL for FY 2016-17 and penalty, if any, the RPO verification proceedings for that year are yet to be initiated.
4. BGPPL requested the Commission to permit it to defer its Solar RPO by two years i.e Solar RPO of FY 2016-17 to be met in FY 2018-19 because it would require to invest around Rs.79.17 lakh to meet its above Solar shortfall which will burden it financially.
5. BGPPL requested the Commission to allow it to make further submission. The Commission granted the same with liberty to BGPPL to approach the Commission in the RPO compliance verification proceedings for FY 2016-17.

The Case is reserved for Order.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member