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OUR REF.

DJK/ 11994

28th November, 2016

CONSULTANT
(Dr.) B. S. BHESANIA

The Principal Secretary,
Maharashtra Electricity,
Regulatory Commission,
13th Floor, World Trade Centre I,
Cuffe Parade,
Mumbai 400 005.

MERC		
Inward No: 3809	Date	29/11/16
Chairman	Member	Member
Secretary	Dir (EE)	Dir (T)

Respected Sir,

Re: BEFORE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI

IN THE MATTER OF:

RPO Compliance Data submitted by MEDA vide letter dated
15th October 2016

AND

IN THE MATTER OF:

Letter dated 2nd November 2016 bearing reference no: MERC/RE
Cell/RPO/2015-16/00915 from the Director (Tariff), MERC addressed
to Reliance Infrastructure Limited ("RInfra-D") seeking verification of
compliance of Renewable Purchase Obligation targets of RInfra-D for
FY 2015-16, as specified under MERC (Renewable Purchase
Obligation, its compliance and Implementation of REC framework)
Regulations, 2010.

Be pleased to take on file one original and six duplicate copies of
Affidavit- In- Reply alongwith Annexures on behalf of our client Reliance
Infrastructure Ltd., Respondent in the above matter.

Yours faithfully,
Mulla & Mulla & Craigie Blunt & Caroe

DJK anaba

Partner
Advocates for R-Infra

Encl: a/a

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**BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI**

IN THE MATTER OF:

RPO Compliance Data submitted by MEDA vide letter dated 15th October 2016

AND

IN THE MATTER OF:

Letter dated 2nd November 2016 bearing reference no: MERC/RE Cell/RPO/2015-16/00915 from the Director (Tariff), MERC addressed to Reliance Infrastructure Limited ("RInfra-D") seeking verification of compliance of Renewable Purchase Obligation targets of RInfra-D for FY 2015-16, as specified under MERC (Renewable Purchase Obligation, its compliance and Implementation of REC framework) Regulations, 2010.

Affidavit in Reply on behalf of Reliance Infrastructure Limited

I, Ghansham Thakkar, General Manager (Regulatory Affairs) and authorized signatory of Reliance Infrastructure Limited, having my registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, do hereby solemnly affirm and state as under:

1. The present Affidavit is filed by RInfra-D in response to the Hon'ble Commission's letter dated 2nd November 2016 referred hereinabove. By virtue of the said MERC Notice dated 24.11.2014, RInfra-D is called upon to provide necessary clarifications/confirmations/justifications in terms of the said letter. For the sake of ready reference, the reply/clarification/confirmation sought from RInfra-D is reproduced hereinunder together with RInfra-D's response to the same.



2. **Replies/Clarification/Confirmation sought from RInfra:**

(a) **RInfra-D should verify the RPO settlement details for FY 2015-16 as submitted by MEDA, (copy attached as Annexure with this letter) and highlight discrepancies, if any, along with proper justification**

i) RPO Settlement data of RInfra-D for FY 2015-16 as submitted by MEDA is as reproduced below:

Item	MU
Gross Energy Consumption	9156.36
Solar RPO	
Target (0.5%)	45.78
Achievement	67.72
Shortfall/(Surplus)	(21.94)
Non-Solar RPO	
Target (8.483% - Less Mini-Micro)	778.29
Achievement	779.68
Shortfall/(Surplus)	(1.39)
Mini/Micro RPO (Within Non-Solar)	
Target (0.02%)	1.56
Achievement	5.90
Shortfall/(Surplus)	(4.34)

ii) It is submitted that MEDA has considered figures for FY2015-16 as per submission of RInfra-D vide its letter dated 2nd June 2016

iii) It is submitted that Hon'ble Commission in its order dated 21.10.2016 in Case No 34 of 2016 has approved Gross Energy Consumption of 9174.70 MUs for FY15-16 and same has been considered for RPO Compliance. RE/REC purchase from Solar and Non-Solar sources is also considered as approved in the said



order along with purchase of energy from OA consumers. In view of the same, revised numbers for FY2015-16 are as shown below:

Item	MU
Gross Energy Consumption	9174.70
Solar RPO	
Target (0.5%)	45.87
Achievement	68.34
Shortfall/(Surplus)	(22.47)
Non-Solar RPO	
Target (8.483% - Less Mini-Micro)	778.29
Achievement	779.77
Shortfall/(Surplus)	(1.48)
Mini/Micro RPO (Within Non-Solar)	
Target (0.02%)	1.56
Achievement*	5.91
Shortfall/(Surplus)	(4.35)

*5.91MUs equivalent REC's were purchased in FY16 to meet Mini/Micro RPO cumulatively for FY11 to FY16.

- (b) **RInfra-D should submit the details status of Solar, non-Solar RPO targets compliance including Mini-Micro Hydro RPO compliance as per the directives of the Commission vide Orders in Case No 183 of 2013, Case No 193 of 2014 and Case No 19 of 2016 along with detailed statement for project wise energy procurement in MUs from all Solar, non-Solar RE generating projects and project wise contracted Non-Solar RE power capacity in MW including Mini/micro Hydro projects and project wise contracted Solar, non-Solar including Mini/micro Hydro projects during FY 2010-11 to FY 2014-15.**



Response:

- i) RInfra-D submits that, as seen from the above revised table, it has fulfilled its Solar and Non-Solar RPO as specified under MERC (Renewable Purchase Obligation, its compliance and Implementation of REC framework) Regulations, 2010 for FY2015-16.
- ii) RInfra submits that the Hon'ble Commission in its order dated 6th March 2014 in Case No 183 of 2013 has allowed RInfra-D to meet Mini/Micro Hydro RPO targets on cumulative basis for the control period FY2010-11 to FY2015-16 before 31st March 2016. Further, the Hon'ble Commission by its order dated March 30, 2016 in Case No 30 of 2016, has allowed RInfra-D to meet shortfall of Mini-Micro RPO for FY2010-11 to FY2015-16 by way of purchase of Non-Solar REC's. In compliance of the said order, RInfra-D has purchased additional Non-Solar RECs (equivalent to 5.91 MUs) to meet Mini-Micro RPO. Year wise details of Mini-Micro target is as given below:

Particulars	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Total
Gross Energy Consumption at G-T (MU)	8600.18	7445.73	7334.57	7517.52	8,844.18	9,174.70	48916.88
Mini/Micro Hydro RPO Target (MU)	0.49	0.50	0.57	1.28	1.50	1.56	5.91

Copy of order dated 30.03.2016 in Case No 30 of 2016 is annexed herewith and marked as **Annexure "1"**.

- iii) Detailed statement of project wise energy procurement in MUs from all solar and non-solar RE sources during FY 2015-16 is as given below:



S. No	Name of Supplier Company	RE Purchase (MU)	Type of Renewable Energy Source
			(Solar/Wind/Bio-mass/Small Hydro, etc.)
Solar			
1	Dhursar Solar Power Private Limited	65.75	Solar
2	Excess Solar Purchase from OA consumers	2.59	-
Total -Solar		68.34	
Non-Solar			
1	Reliance Innoventures	68.91	Wind
2	AAA Sons Enterprises	3.14	Wind
3	Jindal Steel and Power Limited	34.02	Wind
4	Jindal Steel and Power Limited	11.63	Wind
5	Tembhu Power Private Limited	6.14	Small Hydro
6	Reliance Power Ltd.	79.55	Wind



7	Excess Non-Solar Purchase from OA consumers	7.85	-
Total Non-Solar		211.24	
REC Purchase			
8	Non-Solar (includes 5.91 MUs towards Mini/Micro hydro RPO)	574.435	

- iv) RInfra submits that the project-wise energy procurement in MUs for all solar and non-solar RE sources for the period FY 2010-11 to FY 2014-15 was submitted in the proceedings under Case No. 183 of 2013, 193 of 2014 and 19 of 2016 and the Hon'ble Commission, in its Order thereon has already approved the same.
- v) Further, details of RPO target compliance of Solar, non-Solar and Mini/Micro Hydro RPO for the entire control period i.e. FY2010-11 to FY2015-16 is annexed hereto and marked as **Annexure "2"**.

(c) RInfra-D should submit the detailed list of actions and efforts undertaken by it prior to and during FY 2015-16 to ensure compliance of RPO targets in respect of solar RPO, non-solar RPO and mini/micro hydro RPO for FY2015-16.

Response:

- i) RInfra-D submits that it has entered into Long Term Energy PPA with Dhursar Solar Power Private Limited for 40 MW to meet solar RPO. To meet non-solar RPO, details of PPA entered into by RInfra-D are as mentioned below:



S. No	Name of Supplier Company	Contracted Capacity (MW)	Type of Renewable Energy Source
			(Wind/Bio-mass/Small Hydro, etc.)
1	Reliance Innoventures	45	Wind
2	AAA Sons Enterprises	3.375	Wind
3	Jindal Steel and Power Limited	18	Wind
4	Jindal Steel and Power Limited	6	Wind
5	Tembhu Power Private Limited	4.5	Small Hydro
6	Reliance Power Ltd.	45	Wind

ii) RInfra-D submits that it has fully met its Solar and Non-Solar RPO for FY 2015-16. RInfra further submits that shortfall in Non-Solar RPO is met by purchasing non-solar Renewable Energy Certificates (REC) from Power Exchanges. Also, as mentioned herein above, RInfra-D has met its Mini/Micro RPO target by purchasing non-Solar RECs for the entire control period as permitted by the Hon'ble Commission by its order dated 30.03.2016 in Case No. 30 of 2016

(d) **RInfra-D should submit the details for long term RE Procurement Plan for meeting the RPO targets for FY2016-17.**

Response:



i) Rlnfra-D has entered into long term contracts to meet its RPO targets for FY2016-17. Any shortfall in meeting the targets would be met by purchase of Renewable Energy Certificates (REC's). Details of the contracts are mentioned in paragraph 2 (c) (i) herein above.

Solemnly affirmed at Mumbai]
This 28th day of November, 2016]

Mulla & Mulla & Craigie Blunt & Caroe

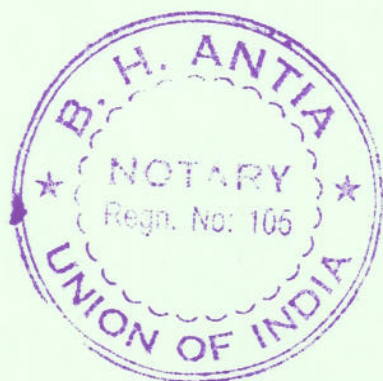
S. Manalia
Partner
Advocates for R-Infra

Gishyan

Before me

B. H. Antia
B. H. ANTIA
NOTARY
UNION OF INDIA
Notary Reg. No. 105
28 NOV 2016

Sr. No. 348/2016



Annexure-1

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Before the

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai – 400 005
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E-mail: mercindia@merc.gov.in
Website: www.mercindia.org.in / www.merc.gov.in

CASE No. 30 of 2016

In the matter of

Petition of Reliance Infrastructure Ltd. (Distribution Business) seeking waiver of Mini/Micro Hydro Power RPO target or allowing purchase of Non-Solar RECs against any shortfall in the Control Period FY 2010-11 to FY 2015-16

Coram

Shri Azeez M. Khan, Member
Shri Deepak Lad, Member

Reliance Infrastructure Ltd.

Petitioner

Appearance

For the Petitioner

: Shri Ghanshyam Thakkar (Rep.)

For Consumer Representative

: Dr. Ashok Pendse (TBIA)

ORDER

Date: 30 March 2016

1. Reliance Infrastructure Limited (Distribution Business) (RInfra-D) has filed a Petition on 9 February, 2016, under Regulations 7, 18 and 20 of the MERC (Renewable Purchase Obligations, its Compliance and Implementation of REC Framework) Regulations, 2010 (“the RPO Regulations, 2010”) seeking waiver of the Mini/Micro Hydro Renewable Purchase Obligation (RPO) target for the Control Period FY 2010-11 to FY 2015-16, or to allow it to meet the shortfall by purchase of Non-Solar Renewable Energy Certificates (RECs).

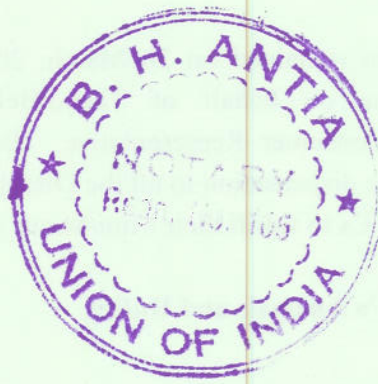
2. RInfra-D's prayers are as follows:

- a. *Waive the RPO target for Mini/Micro hydro for FY 2010-11 to FY 2015-16 under Regulation 18 (Power to Relax) of MERC (RPO-REC) Regulations, 2010 or in the alternative allow Rinfra to meet target of Mini/Micro Hydro by way of purchase of Non-Solar RECs.*
- b. *For such further and other reliefs as the nature and circumstances of the case may require;*
- c. *Pass any other Order as may be appropriate under the circumstances."*

3. The facts as stated in the Petition are summarized below: -

- a) RInfra-D is a Distribution Licensee and an Obligated Entity under Regulation 2(m) of the RPO Regulations, 2010, and is seeking waiver of the Mini/Micro Hydro RPO target for the Control Period FY 2010-11 to FY2015-16 as specified in the proviso to Regulation 7.1
- b) Regulation 7.1 stipulates that every Obligated Entity shall procure electricity generated from eligible renewable energy (RE) sources, being a "Minimum Quantum" of Solar as well as a "Minimum Quantum" of Non-Solar. The proviso stipulates that Distribution Licensees shall meet 0.1% of Non-Solar RPO for FY 2010-11 to FY 2012-13 and up to 0.2% of Non-Solar RPO for FY 2013-14 to FY 2015-16 by way of purchase from Mini Hydro or Micro Hydro Power Projects.
- c) RInfra-D has already met its Solar and Non-solar RPO targets for the period FY 2010-11 to FY 2014-15, either by way of purchase of RE or by purchasing RECs from Power Exchanges. RInfra-D is also confident of meeting its RPO targets for FY 2015-16. However, RInfra-D is unable to meet its Mini/Micro Hydro target specified by the Commission for the period FY 2010-11 to FY 2014-15 and is unlikely to meet it in FY 2015-16 for the reasons stated in the present Petition.
- d) The Commission in its Order dated 6 March, 2014 in Case No 183 of 2013 has allowed RInfra-D to meet its Mini/Micro Hydro RPO targets on cumulative basis for the Control period FY 2010-11 to FY 2015-16 before 31 March, 2016.
- e) RInfra-D has made all possible efforts to comply with the RPO targets for Mini/Micro Hydro. However, there can be no Mini/Micro Hydro Power Station in RInfra-D's area of supply in Mumbai, and all Mini/Micro Hydro – whether present or future – connect to Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)'s network at 11 kV level mainly due to the small size of Plants.
- f) RInfra-D has issued Expressions of Interest (EOI) from time to time, i.e. in January 2011 and 2012, May 2012, April 2014 and April 2015 for purchase from Mini/Micro Hydro sources, but no offers were received. In fact, RInfra-D, in April 2014 and 2015, has issued EOI exclusively for purchase of Mini/Micro Hydro to meet its RPO target, without response. While RInfra-D cannot comment on the reasons for such lack of interest, it is possible that the developers planning to connect to MSEDCL network prefer to sell their power to MSEDCL only, as selling to any Distribution Licensee other than the host Licensee would require Open Access permission, while the power will still be sold at the preferential tariff specified by the Commission.





- g) The shortfall in Mini/Micro Hydro RPO cannot be met through purchase of REC's either, as there is no separate category for Mini/Micro Hydro REC and it is covered under non-Solar REC only.
- h) For FY 2010-11 to FY 2014-15, there is a cumulative shortfall of 4.35 MUs as against the specified RPO target for Mini/Micro Hydro. Further, for FY 2015-16, based on the estimated Input Energy, there is a likely shortfall of 1.57 MUs. The total shortfall for the entire Control Period is 5.91 MUs. Year-wise shortfall for the Control Period is as given below:

Particulars	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 (Estimated)	Total
Mini/Micro Hydro RPO Target (MU)	0.49	0.50	0.57	1.28	1.50	1.57	5.91

4. In its response dated 25 February, 2016, the Maharashtra Energy Development Agency (MEDA) has stated as follows:-

- a) The objective of keeping separate targets for Mini/Micro Hydro for Obligated Entities is to promote this sector in the State. If these targets are removed, then Projects under this segment will not get developed. MEDA submitted the list of Mini/Micro Hydro Projects in Maharashtra till March, 2015. The total capacity of Mini /Micro Hydro till March, 2015 is 83.25 MW. The detailed status is as below:-

Sr.No.	Particulars	Capacity in MW
1	Mini /Micro Hydro projects commissioned till March, 2015	83.52 MW
2 (a)	Mini /Micro Hydro projects (List of Pre-feasibility Report prepared (Non tribal area) (Under Run of River)	45.92 MW
2 (b)	Mini /Micro Hydro projects (List of Pre-feasibility Report prepared (Non tribal area) (Under K.T.Weir)	6.85 MW
	Total (a+b)	52.77 MW

- b) The Commission may give suitable directions to all Distribution Licensees to meet their RPO targets by way of developing such Projects or purchasing the energy from developers.
5. At the hearing held on 29 February, 2016, Rlnfra-D made a presentation reiterating its submission and the options sought. In its prayers, Rlnfra-D also stated that only one

12
trading session remained on 30 March, 2016 for purchase of RECs, if allowed. Dr. Ashok Pendse on behalf of Thane-Belapur Industries Association (TBIA), an Institutional Consumer Representative, TBIA submitted that the Commission should allow the same dispensation to all the Distribution Licensees and allow them to purchase Non-Solar RECs to fulfill their Mini/Micro Hydro RPO targets.

Commission's Analysis and Ruling

6. Vide its Order dated 6 March, 2014 in Case No 183 of 2013, the Commission had allowed RInfra-D to meet its Mini/Micro Hydro RPO targets on a cumulative basis for the Control Period FY 2010-11 to FY 2015-16 before 31 March, 2016. RInfra-D has set out the efforts it has made to comply with the RPO targets, which have received no response. Moreover, there has been no capacity addition in Maharashtra since FY 2010-11.
7. Considering the circumstances cited by RInfra-D, the Commission considers it appropriate to address the consequent difficulty under the RPO Regulations, 2010 by allowing RInfra-D to compensate for the shortfall in meeting its Mini/Micro Hydro RPO targets for the period from FY 2010-11 to FY 2015-16 by purchase of Non-Solar RECs to that extent.
8. The Commission notes that, separately, hearings have been held recently regarding the verification of RPO compliance by Distribution Licensees, including RInfra-D, and those matters are awaiting final Orders by the Commission. While similar issues regarding the Mini/Micro Hydro targets have been raised in those proceedings by some Licensees, those Cases pertain to FY 2014-15 while RInfra-D has specifically approached the Commission for the period upto FY 2015-16 through this separate Petition. As regards the other Licensees, the Commission would provide a suitable dispensation as may be appropriate through its Orders in those Cases.

The Petition of Reliance Infrastructure Ltd. in Case No. 30 of 2016 stands disposed of accordingly.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member



Annexure-2

Item	As approved in Case No 19 of 2016												As approved in Case No 34 of 2016		Cumulative RPO (Surplus)/Shortfall - MUs	
	FY2010-11		FY2011-12		FY2012-13		FY2013-14		FY2014-15		FY2015-16		%	MU		
	%	MU	%	MU	%	MU	%	MU	%	MU	%	MU				
Gross Energy Consumption	100%	8600.18	100%	7445.73	100%	7334.57	100%	7517.52	100%	8844.18	100%	9174.70			48916.88	
Solar RPO																
Target	0.25%	21.50	0.25%	18.61	0.25%	18.34	0.50%	37.59	0.50%	44.22	0.50%	45.87			186.13	
Achievement	0.00%	0.00	0.61%	0.46	0.82%	60.13	0.93%	69.60	0.77%	68.52	0.74%	68.34			267.04	
Shortfall/(Surplus)	0.25%	21.50	0.24%	18.16	-0.57%	-41.79	-0.43%	-32.01	-0.27%	-24.30	-0.24%	-22.47			-80.91	
Non-Solar RPO																
Target	5.75%	494.51	6.75%	502.59	7.75%	568.43	8.50%	638.99	8.5%	750.25	8.48%	778.29			3733.06	
Achievement	6.80%	584.51	4.69%	349.47	8.74%	640.84	8.56%	643.49	8.48%	750.34	8.50%	779.77			3748.42	
Shortfall/(Surplus)	-1.05%	-90.00	2.06%	153.12	-0.99%	-72.41	-0.06%	-4.50	0.00%	-0.09	-0.02%	-1.48			-15.36	
Mini/Micro RPO (Within Non-Solar)																
Target	0.01%	0.49	0.01%	0.50	0.01%	0.57	0.02%	1.28	0.02%	1.50	0.02%	1.56			5.91	
Achievement	0%	0.00	0%	0.00	0%	0.00	0%	0.00	0%	0.00	0%	5.91			5.91	
Shortfall/(Surplus)	0.01%	0.49	0.01%	0.50	0.01%	0.57	0.02%	1.28	0.02%	1.50	-0.05%	-4.35			0.00	



BEFORE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI

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verification of compliance of Renewable Purchase
Obligation targets of RInfra-D for FY 2015-16, as
specified under MERC (Renewable Purchase
Obligation, its compliance and Implementation of
REC framework) Regulations, 2010.

AFFIDAVIT IN REPLY ON BEHALF OF
RELIANCE INFRASTRUCTURE LIMITED

Dated this 28th day of November, 2016

Mulla & Mulla & Craigie Blunt & Caroe
Advocates for Reliance Infrastructure Limited
Mulla House, 51, M.G. Road, Fort,
Mumbai 400 001

