

**ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO. 4, CHUNOKOLI, SHAILASHREE VIHAR,
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PUBLIC NOTICE

Sub: Inviting Objection/ Suggestion on proposed OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 under Section 181 (3) of the Electricity Act.

The Commission has framed the draft OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 in accordance with Section 181 read with Section 61, 66 and 86(1)(e) of the Electricity Act, 2003 which is enclosed herewith for reference. The said Regulation is also available in Commission's Website www.orierc.org.

The Commission hereby publishes the proposed OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 for information of the general public under Section 181(3) of the Electricity Act, 2003.

You are requested to furnish your considered views/suggestion/opinion on the said Regulation to the undersigned on or before **31.05.2021 (by 5.00 P.M.)**. On receipt of the responses from different quarters, the Commission may, in appropriate cases, bring the modifications, if any, to the proposed Regulation and approve the same for publication in the official gazette.

By Order of the Commission

**Sd/-
SECRETARY**

Bhubaneswar.

Date: 27th April, 2021

Draft OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021



ODISHA ELECTRICITY REGULATORY COMMISSION

ODISHA ELECTRICITY REGULATORY COMMISSION
UNIT – VIII, BHUBANESWAR – 751012

NOTIFICATION

The ... April, 2021

No. OERC/RA/AMEND. REGU. – 8/2013/ Vol.- IV/ 924 - In exercise of powers conferred under Section 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it on that behalf, the Odisha Electricity Regulatory Commission hereby makes the following Regulations for promoting the procurement of energy from renewable sources by Distribution Licensee (or any entity procuring power on their behalf), conventional captive users and Open Access customers within the State of Odisha and compliance thereof.

1. Short title, Commencement and Extent

- 1.1 These Regulations shall be called “Odisha Electricity Regulatory Commission (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021”.
- 1.2 These Regulations shall extend to the whole of the State of Odisha.
- 1.3 These Regulations shall come into force on the date of publication in the Official Gazette.
- 1.4 Odisha Electricity Regulatory Commission (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 is hereby repealed.

2. Definitions and Interpretation

- 2.1 In these Regulations, unless the context otherwise requires-
 - (a) “**Act**” means the Electricity Act, 2003 (36 of 2003);
 - (b) “**Average Power Purchase Cost**” means the weighted average pooled price at which the distribution licensee (or any entity procuring power on their behalf) has purchased the electricity including cost of self generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on Renewable Energy Sources, as the case may be;
 - (c) “**Captive Generating Plant**” means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association as per Electricity Rules notified by Central Government;
 - (d) “**Central Agency**” means the agency as may be designated by the Central Commission from time to time under the CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time;
 - (e) “**Central Commission**” means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
 - (f) “**Certificate**” means the Renewable Energy Certificate (or “REC”) issued by the Central Agency in accordance with the procedures prescribed by it and

- under the provisions specified in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time;
- (g) **“Commission”** means the Odisha Electricity Regulatory Commission referred to in sub-section (1) of the Section 82 of the Act;
- (h) **“Conventional Generating Plant”** means any power plant generating electricity by using sources other than Renewable Energy Sources mentioned in these Regulations;
- (i) **“Distribution Licensee”** means a person granted license under Section 14 of the Act authorizing him to operate and maintain a distribution system and to supply electricity to the consumers in his area of supply, and includes a deemed licensee or as defined in the Act from time to time;
- (j) **“Forbearance Price”** means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificates can be dealt in the power exchange;
- (k) **“Hybrid Sources”** A hybrid energy sources means two or more Renewable Energy Sources used together to provide increased system efficiency as well as greater balance in energy supply.
- (l) **“Inter-connection point”** shall mean the interface point of renewable energy generating facility with the transmission system or distribution system, as the case may be:
- (i) in relation to wind energy projects and Solar Photovoltaic Projects, inter-connection point shall be line isolator of the outgoing feeder on HV side of the pooling sub-station;
and the Pooling Sub-station shall mean the sub-station at project site of the wind farm or Solar Photovoltaic Power plant, as the case may be, and shall constitute step-up transformer and associated switchgear, and to the LV side of which, multiple (more than one) generating unit(s) (i.e. wind turbine generators or solar PV modules/ arrays/ inverter units) are connected.
 - (ii) in relation to small hydro power, biomass power, Bio-fuel based co-generation power projects, solar thermal power projects and Municipal Solid Waste based projects the inter-connection point shall be line isolator of outgoing feeder on HV side of the generator transformer;
 - (iii) Provided that in relation to Renewable Energy Sources having installed capacity of less than 1 MW the interconnection point shall be the nearest distribution system as agreed by the Licensee.
- (m) **“Mini-Grid Operator (MGO)”** means Mini-Grid Operator as defined in OERC (Mini-Grid Renewable Energy Generation and Supply) Regulations, 2019.
- (n) **“MNRE”** means the Ministry of New and Renewable Energy, Government of India;

- (o) **“Non Solar Sources”** means Renewable Energy Sources other than Solar energy sources;
- (p) **“Obligated Entity”** means the entity mandated under clause (e) of subsection (1) of section 86 of the Act to fulfill the renewable purchase obligation and any other entities identified under clause 3.1 of these Regulations;
- (q) **“Power Exchange”** means any exchange operating as power exchange for electricity in terms of the orders issued by the Central Commission;
- (r) **“Renewable Energy Sources”** means renewable sources such as Mini Hydro, Micro Hydro, Small hydro, Wind, Solar, Biomass, Bio fuel cogeneration (such as Bagasse based Co generation), generation from exothermic heat, Urban or Municipal Waste based generation, power generated from co-firing of biomass in coal based thermal power plants and such other sources as recognized or approved by MNRE;
- (s) **“Renewable Purchase Obligation (RPO)”** means the requirement specified through these Regulations by the Commission under Clause (e) of sub-section (1) of section 86 of the Act or by way of orders from time to time for the obligated entity to purchase electricity from Renewable Energy Sources;
- (t) **“State Agency”** means the agency in the State of Odisha to be designated by the Commission to act as the agency for accreditation and recommending the Renewable Energy Projects for registration and to undertake functions under these regulations;
- (u) **“Year”** means a financial year.

2.2 Words and expressions used in these Regulations and not defined but defined in the Act or the Regulations issued by the Central Commission or any other regulations issued by the Commission shall have the same meaning assigned to them respectively in the Act or such Regulations issued by the Central Commission or by the Commission.

2.3 All proceedings under these Regulations shall be governed by the OERC (Conduct of Business) Regulations, 2004 as amended from time to time.

3. Scope of Regulations and Extent of their Application

3.1 These Regulations shall apply to all “Obligated Entities” in the State of Odisha. The Obligated Entities include:

- (a) Distribution licensee (or any other entity procuring power on their behalf).
- (b) Any person consuming electricity (i) generated from conventional Captive Generating Plant having capacity of 1 MW and above for his own use and/or (ii) procured from conventional generation through open access and third party sale.

Provided that the condition under sub-clause (b)(i) above shall not be applicable in case of stand-by (or emergency back-up) captive generating facilities.

Provided further that obligated entities consuming power in any year to the extent of total RPO specified under Regulation 4.2 from fossil fuel based co-generation power

plant shall be exempted from the RPO. In case the consumption of obligated entities from such cogeneration power plant is less than the total RPO, such obligated entities shall be required to fulfill the RPO to the extent of shortfall.

4. Purchase Obligation from Renewable Sources

4.1 Every “Obligated Entity” shall meet its RPO target from its own Renewable Sources or procurement of power from other developers of Renewable Energy Sources or by purchase of Renewable Energy from other licensee or eligible green power from exchanges or by way of purchase of Renewable Energy Certificate (REC):

Provided that such renewable sources shall have suitable metering and communication arrangement with Odisha State Load Despatch Centre/Distribution Licensee of the State of Odisha.

Provided further that generation from off-grid RE sources set up by Distribution Licensee/ Mini-Grid Operator (MGO), shall be considered as generation from eligible RE sources only if suitable metering and communication arrangement exists and Distribution Licensee/ Mini-Grid Operator (MGO) communicate details of such generation on monthly basis to State Agency.

Provided further that the power generated from co-firing of biomass in coal based thermal power plants shall be treated as renewable energy and shall be eligible for meeting non-solar Renewable Purchase Obligation (RPO) limited to the quantum of electricity generated from biomass in biomass co-fired coal based thermal power plants. The guideline/ methodology prescribed by CERC from time to time shall be followed for estimation of electricity generated from biomass in biomass co-fired coal based thermal power plants.

Provided that the quantum of electricity generated by the consumer from the Roof-top Solar PV system under the net metering arrangements shall, if such consumer is not obligated entity, qualify towards meeting the Solar RPO of the distribution licensee/GRIDCO, as the case may be.

Provided further that procurement of Renewable Energy Certificates (REC) issued for Renewable Energy Generation outside as well as within the State of Odisha shall be considered as an eligible instrument for the purpose of RPO compliance by Obligated Entities.

Provided further that large hydropower projects including pumped storage projects having capacity of more than 25 MW (LHPs) which came into commercial operation after 8.3.2019 will be considered as renewable energy source.

4.2 The Commission hereby specifies the Hydropower Purchase Obligation (HPO) along with Solar RPO and Other Non-Solar RPO. Every Obligated Entity shall at least purchase source wise electricity from Renewable sources to the percentage of its total

consumption of electricity from all sources excluding the consumption met from hydro sources of power (State & Central), as indicated in the table below:

Minimum quantum of electricity to be procured from Renewable Sources by Obligated Entity as percentage of total Consumption in KWh

Year	Solar RPO	Non-Solar RPO			Total RPO
		HPO	Other Non-Solar RPO	Total Non-Solar RPO	
2021-22	7.25%	0.18%	5.82%	6.00%	13.25%
2022-23	8.00%	0.35%	6.15%	6.50%	14.50%
2023-24	8.75%	0.66%	6.59%	7.25%	16.00%
2024-25	9.75%	1.08%	7.17%	8.25%	18.00%

- 4.3 RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from hydro sources.
- 4.4 Solar RPO may be met by power procured from solar power plants – solar photo voltaic or solar-thermal. Other Non-Solar RPO (excluding HPO), may be met from any renewable source other than solar and LHPs.
- 4.5 HPO benefits shall be met from the power procured from eligible LHPs commissioned on and after 8.3.2019:

Provided that if the generation from eligible LHPs is insufficient to meet HPO, generation from small hydro commissioned on and after 8.3.2019 would qualify for fulfillment of HPO. In such cases, if small hydro generation exceeds the desired HPO trajectory, the surplus will then be considered under the category ‘Other Non-Solar RPO’.

Provided further that Regulations related to the Hydro Energy Certificate mechanism developed by CERC and its subsequent amendments thereafter shall be applicable for ensuring HPO compliance.

Provided further that the above HPO Trajectory shall be trued up on an annual basis depending on the revised commissioning schedule of Hydro projects.

- 4.6 On achievement of Solar RPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess non-solar energy consumed beyond specified Non-Solar RPO for that particular year. Similarly, on achievement of Other Non-Solar RPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess solar or eligible hydro energy consumed beyond specified Solar RPO or HPO for that particular year. Further, on achievement of HPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess solar or other non-solar energy consumed beyond specified Solar RPO or other Non-Solar RPO for that particular year.

4.7 In case of Hybrid Sources the Renewable Energy Generated shall be treated as Non-solar irrespective of nature of sources or installed capacity of particular source.

4.8 For CPPs commissioned before 01.04.2016, RPO should be at the level as mandated by OERC for the year 2015-16, For CPPs commissioned from 01.04.2016 onwards, the RPO level as mandated by OERC or Ministry of Power, whichever is higher, for the year of commissioning of the CPP shall be applicable:

Provided that in case of any augmentation in the capacity, the RPO for augmented capacity shall be the RPO applicable for the year in which the CPP has been augmented.

Provided further that in case, for meeting the RPO obligation, CPP has surplus power than its consumption requirement, such a CPP may sell its surplus power to the DISCOMs under the prevailing arrangements or in the power exchange.

4.9 If the RPO for any of the year is not specified by the Commission, the RPO specified for the previous year shall be continued beyond the specified period till any revision is effected by the Commission in this regard.

4.10 All purchase from the Renewable Energy Sources by the Licensees shall be made at tariffs determined by the Commission from time to time. However the Commission may fix a ceiling price for renewable power purchase to be made by the licensee through bidding process:

Provided also that the power purchases under the power purchase agreements for the purchase of Renewable Energy Sources already entered into by the obligated entities and consented to by the Commission shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.

Provided, further that the distribution licensee or other designated agency purchasing power on their behalf shall include the plan for procurement of power from Renewable Energy Sources under its long term power procurement plan to comply with minimum RPO targets as stipulated above.

4.11 In respect to subsequent amendments to the provisions of the Electricity Act, 2003 or the National Tariff Policy, 2016 or guidelines issued by Central Government from time to time or on its own, the Commission through a Special Order may notify any changes to Regulation 4 above.

5. Certificates Under the Regulations of the Central Commission

5.1 Subject to the terms and conditions contained in these Regulations the Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions

for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time shall be the valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities for purchasing of electricity under RPO:

Provided that in the event of the Obligated Entities fulfilling the RPO by purchase of certificates, the obligation to purchase electricity from generation based on solar as Renewable Energy Sources can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation other than solar can be fulfilled by purchase of non-solar certificates. If solar certificates are not available in a particular year, additional non-solar certificates shall be purchased for fulfillment of RPO on that year.

- 5.2 Subject to such directions as the Commission may give from time to time, the Obligated Entities shall observe the provisions of the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time, notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the RPO under these regulations.
- 5.3 The Certificates purchased by the obligated entities from the power exchange in terms of the regulation of the Central Commission mentioned in Clause 5.1 of this Regulation shall be deposited by the obligated entities with the State Agency in accordance with the detailed procedure issued by the Central Agency. State Agency may develop the required detailed procedure in connection with its own function and submit to the Commission for approval.
- 5.4 The Commission shall determine the 'Average Power Purchase Cost' of the distribution licensee concerned on annual basis. The Average Power Purchase Cost determined by the commission shall be required to be paid by the distribution licensee (or any entity procuring power on their behalf) when the distribution licensee (or any entity procuring power on their behalf) purchases the electrical component of the Renewable Energy Projects registered under the REC scheme notified by the Central Electricity Regulatory Commission.

6. State Agency and its Functions

- 6.1 The Commission shall designate an agency as the State Agency for accreditation and recommending the Renewable Energy Projects for registration and to undertake functions under these Regulations.
- 6.2 The State Agency shall function in accordance with the directions issued by the Commission from time to time and shall act in accordance with the provisions of the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time.

- 6.3 The State agency shall devise appropriate protocol for collection of information from various sources such as renewable generating companies, obligated entities, SLDC etc. on regular basis and compile such information to compute the compliance of RPO target by such obligated entities. The summary statement of Renewable Energy procurement and RPO compliance by different obligated entities shall be published by the State agency on cumulative basis every month on its website.
- 6.4 The State Agency shall submit quarterly status by 15th of next month to the Commission in respect of compliance of RPO by the obligated entities in the format as stipulated by the Commission and may suggest appropriate action to the Commission if required for compliance of the renewable purchase obligation.
- 6.5 The Commission may from time to time fix the remuneration and charges payable to the State Agency by accredited entities and obligated entities for discharge of its functions under these Regulations.
- 6.6 If the Commission observes that the State Agency is not able to discharge its functions satisfactorily, it may by general or special order, and by recording reasons in writing, designate any other agency to function as State Agency as it considers appropriate.

7. Distribution Licensee(s) and its Functions

- 7.1 Each Distribution Licensee (or any entity procuring power on their behalf) shall furnish before the Commission the estimated quantum of purchase from Renewable Energy Sources for the ensuing year in Aggregate Revenue Requirement (ARR) petition in accordance with the Regulations notified by the Commission from time to time:

Provided that the estimated quantum of purchase shall be in accordance with Clause 4.2 of these Regulations basing on the proposed power purchase quantity for the ensuing year(s).

- 7.2 Distribution Licensee (or any entity procuring power on their behalf) shall furnish the summary statement of energy procured from different Renewable Energy Sources on monthly basis to the State Agency. At the end of each financial year, each Distribution Licensee (or any entity procuring power on their behalf) shall submit a detailed statement of energy procurement from various Renewable Energy Sources, duly certified by the Auditors:

Provided that in the event of the actual consumption in the licensed area being different from that approved by the Commission, the RPO shall be deemed to have been modified in accordance with Clause 4.2 of these Regulations. The credit for excess purchase from Renewable Energy Sources would not be adjusted in the ensuing year.

- 7.3 If the distribution licensee (or any entity procuring power on their behalf) fails to fulfill the minimum quantum of purchase from Renewable Energy Sources, it shall be liable for action as per Clause 10 of these Regulations.

8. Functions of Captive User(s) and Open Access Consumer(s)

- 8.1 The quantum of RPO mentioned in Clause 4.2 of these Regulations shall be applicable to captive user(s) and open access consumer(s) as mentioned in Regulation 3.1 of this Regulations.
- 8.2 Every Captive user(s) and open access consumer(s) shall have to submit necessary details regarding total consumption of electricity and purchase of energy from Renewable Energy Sources for fulfillment of RPO on regular basis to the State Agency.
- 8.3 If the Captive user(s) and Open Access consumer(s) are unable to fulfill the criteria of the present Regulations, the shortfall of the targeted quantum would attract penalty as per Clause 10 of these Regulations:

Provided that captive users availing its entire requirement of power from renewable based captive power plants are exempted from applicability of RPO targets and other related conditions as specified in these Regulations.

Provided further that sale of surplus energy from a Renewable Energy based captive power projects over and above captive consumption will qualify for availing REC as provided in Regulation 5.

9. Monitoring and Implementation: Framework

- 9.1 Within three months from notification of these Regulations, State Agency shall develop RPO Web-portal for RPO compliance monitoring and reporting.
- 9.2 Within one month of development of RPO Web-portal, all Obligated Entities shall register themselves on RPO Web-portal and submit requisite information monthly or for any other specified period to State Agency through this Web-portal only.
- 9.3 State Load Despatch Centre and Chief Electrical Inspector who will be assisting the State Agency in verification of RPO compliance of Distribution Licensees and Captive Consumers, respectively, shall also register themselves on RPO Web-portal within a month.
- 9.4 Every Obligated Entity shall submit its electricity consumption and details of RE procured for previous month by 7th of each month on the Web based portal.
- 9.5 Details of electricity consumption of Distribution Licensee shall be verified by SLDC and that of other Obligated Entities shall be verified by concerned Distribution Licensee or Electrical Inspector, whichever is applicable:

Provided such verification of the web based data shall be completed by 15th of every month.

9.6 At the end of each quarter, State Agency shall publish RPO compliance status of Obligated Entities on RPO Web-portal.

9.7 At the end of Financial Year, Obligated Entities shall upload/submit documentary evidence of procurement of RE or REC to State Agency through RPO Web-portal; Provided that such document shall be submitted within 30 days from end of Financial Year:

Provided further that State Agency shall complete verification process within 45 days of end of Financial Year.

9.8 Subsequent to completion of verification process, State Agency shall publish RPO compliance of each of Obligated Entity on RPO Web-portal.

9.9 Based on RPO compliance status, State Agency shall compute penalty to be levied to Obligated Entity:

Provided that penalty leviable to Distribution Licensee shall be finalised and adjusted in Annual Revenue Requirement.

Provided further that penalty payable by Other Obligated Entity shall be levied by the State Agency with 15 days time as due date of payment which shall be deposited in RPO Fund.

9.10 Non-payment of penalty or non-submission of required details in a timely manner by Obligated Entity shall be treated as non-compliance of Regulations and State Agency shall recommend the Commission to initiate action against such Entity under Section 142 of the Act.

10. Consequences of Default

10.1 In the event of the Obligated Entities not being able to fulfill the RPO as provided in these regulations during any year and also does not purchase the certificates, the obligated entity to deposit a penalty as calculated by State Agency into a separate fund, to be created and maintained by such State Agency:

Provided that the amount of penalty shall be calculated by State Agency on the basis of the shortfall in units of RPO and the forbearance price decided by the Central Commission.

Provided that fund so created shall be utilized, as may be directed by the Commission, partly for purchase of the certificates and partly for development of transmission infrastructure for evacuation of power from generating stations based on Renewable

Energy Sources or any other expenses relating to development of Renewable Energy Sources.

Provided that the State Agency as well as obligated entities shall not be authorized to use the fund created in pursuance of the above in any manner, without prior approval of the Commission.

Provided further that the Commission may empower an officer of the State Agency to operate the Fund and procure from the Power Exchange the required number of certificates to the extent of the shortfall in the fulfillment of the obligations, out of the amount in the fund.

- 10.2 Where any Obligated Entity fails to comply with the obligation to purchase the required percentage of power from Renewable Energy Sources or purchase Renewable Energy Certificates in lieu thereof or make payment of penalty as stated above or fails to provide required information sought for within specified time frame, it shall be liable for penalty as may be decided by the Commission under section 142 of the Act:

Provided that the unmet capacity of RPO shall not be allowed to carry forward by obligated entities from one financial year to another unless there is genuine difficulty.

Provided that in case of genuine difficulty in complying with the RPO because of non-availability of certificates, the obligated entity can approach the Commission for carry forward of compliance requirement to the next year.

Provided further that where the Commission has consented to the carry forward of compliance requirement, the provision of Clause 10.1 of these Regulations or the provision of section 142 of the Act shall not be invoked.

11. Connectivity with the Grid

- 11.1 Any person generating electricity from Renewable Energy Sources, irrespective of installed capacity, shall have open access to any Licensee's transmission system and/or distribution system as the case may be.
- 11.2 On an application from such person, the transmission licensee or distribution licensee shall provide appropriate interconnection facilities before Commercial Operation Date of the Renewable Energy Project. Such interconnection shall follow the grid connectivity Standards as specified in the Central Electricity Authority (Technical Standards for Connectivity of the Distributed Generation Resources) Regulations, 2013 or State Grid Code as the case may be. The Transmission Licensee / Distribution Licensee shall provide meters and associated facilities at interconnection point.
- 11.3 The licensees shall be responsible for development of evacuation infrastructure beyond the inter-connection point while the developer/generating company will have

to develop evacuation infrastructure from generating facility up to the inter connection point at its own expense:

Provided that in case of Renewable Energy Sources having installed capacity of less than 1 MW the developer shall provide evacuation infrastructure upto the interconnection point.

Provided that if any dispute arises regarding connectivity with the Grid the matter shall be referred to the Commission whose decision in this regard shall be final.

- 11.4 Roof-top Solar PV sources shall be allowed connectivity at LV or MV or at 11 KV of the distribution system of the licensee as considered technically and financially suitable by the licensee and the developer:

Provided that the Commission shall time to time issue specific order on such connections and commercial arrangement.

Provided further that if any dispute arises about connectivity of such sources with the grid, the matter shall be referred to the Commission whose decision in this regard shall be final.

- 11.5 Communication system, if required by SLDC, between grid sub-station and generating station shall be developed by the developer (s) at its own cost. Developers of Renewable Energy Sources shall abide by all applicable codes, rules, regulations etc. in regard to operational and commercial practices.

- 11.6 Wherever Renewable Energy Sources have already been connected to the State Grid at a voltage level lower than the voltage level specified in these Regulations and wherever such State Grid connection causes any bottleneck in capacity addition or causes avoidable discontinuance of generation or low voltage during peak hours or frequent outage of line or sufficient redundancy, such grid connection shall be converted into suitable voltage level and cost for such conversion shall be borne by the developer.

12. Appointment of Compliance Auditors

- 12.1 The Commission shall appoint Compliance Auditors from time to time to inquire into and report on compliance of these Regulations. The Auditor shall also certify the fund created under Clause 10.1 of these Regulations and operated by State Agency. The Auditors could be an individual person or a firm having persons with qualification and experience in Finance or Accounts, Commerce and Engineering.

13. Miscellaneous Cross-Subsidy

- 13.1 Procurement of power through Third Party Sale from Renewable Energy Sources shall be exempted from the cross subsidy surcharge determined by the Commission

from time to time. However, no banking facility shall be provided for supply (third party sale) from Renewable Energy Sources through open access. Further, interface metering system capable of energy accounting for each time block of 15 minutes shall be provided at both supply as well as drawal point.

13.2 For third party sale, energy generation from Renewable Energy Sources in each 15 minute time block shall be set off against the captive/ open access user(s) consumption in the same 15 minute time block.

13.3 For scheduling Grid Code shall be observed.

14. Inconsistency with other Regulations/ Orders of the Commission

14.1 Notwithstanding anything contained in other Regulations / orders of the Commission, this Regulation shall have overriding effect. However, any action already taken before the effective date of this Regulation under any other orders/Regulations of the Commission shall remain valid.

15. Issue of orders and practice directions

15.1 Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, either on Suo Motu basis or on a Petition filed by the applicant, issue orders and practice directions in regard to the implementation of these Regulations.

16. Power to remove difficulties

16.1 If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do anything not being inconsistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

17. Power to Relax

17.1 The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.

18. Power to Amend

18.1 The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provisions of these Regulations by amendments.

19. Interpretation

19.1 If a question arises relating to the interpretation of any provision of these Regulations, the decision of the Commission shall be final.

20. Inherent Powers of the Commission

20.1 Nothing contained in these Regulations shall limit or otherwise affect the inherent powers of the Commission from adopting a procedure, which is at variance with any

of the provisions of these Regulations, if the Commission, in view of special circumstances of the matter or class of matters and for the reasons to be recorded in writing, deems it necessary or expedient to depart from the procedure specified in these Regulations.

By Order of the Commission

SECRETARY