

**ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
PLOT NO. – 4, CHUNAKOLI, SAILASHREE VIHAR,
BHUBANESWAR-751021**

PUBLIC NOTICE

Sub: Suggestion/opinions on the Amendment to the Regulation 4.2 of “Odisha Electricity Regulatory Commission (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015”.

The Commission has proposed an amendment to Regulation 4.2 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015. The proposed amendment is available in the website of the Commission www.orierc.org. Notice is hereby given under Section 181(3) of the Electricity Act, 2003 inviting suggestion and objection from the interested persons/ institutions/ associations/ consumers and other stakeholders. The objections and suggestions shall reach the undersigned by 15th November, 2016. After considering such objections/suggestion the Commission may bring about modification, if necessary in the draft regulation for final publication.

By the Order of the Commission

SECRETARY

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAVAN
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DRAFT REGULATION

STATEMENT OF OBJECTS AND REASONS – In exercise of powers conferred on it under Section 181 of the Electricity Act, 2003, the Odisha Electricity Regulatory Commission had framed OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 which were published in the Orissa Gazette extraordinary No.1301 dtd.10th September, 2015. In the meantime, Ministry of Power, GoI, has notified the Revised Tariff Policy on 28th January, 2016. Section 6.4.1 of Tariff Policy stated as Follows;

“Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from renewable energy sources, taking into account availability of such resources and its impact on retail tariffs. Cost of purchase of renewable energy shall be taken into account while determining tariff by SERCs. Long term growth trajectory of Renewable Purchase Obligations (RPOs) will be prescribed by the Ministry of Power in consultation with MNRE.

Provided that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs.

- (i) *Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification of this policy which shall be such that it reaches 8% of total consumption of energy, excluding Hydro Power, by March 2022 or as notified by the Central Government from time to time.*
- (ii) *Distribution Licensee(s) shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own, at the tariff determined by the Appropriate Commission under Section 62 of the Act.*

In the meantime , the Ministry of Power vide its order dated 22 July 2016 has issued a uniform Long term growth trajectory of Renewable Purchase Obligations (RPOs) for Non-solar as well as solar, for all States/Union Territories, initially for three years from 2016-17 to 2018-19 as under-

| Long Term Trajectory | 2016-17 | 2017-18 | 2018-19 |
|-----------------------------|----------------|----------------|----------------|
| Non-Solar | 8.75% | 9.50% | 10.25% |
| Solar | 2.75% | 4.75% | 6.75% |
| Total | 11.50% | 14.25% | 17.00% |

The obligations will be on total consumption of electricity by an obligated entry, excluding consumption met from hydro sources of power.

Based on the above guideline, the Commission has intended to amend the Regulation 4.2 of Odisha Electricity Regulatory Commission (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015. Accordingly, the existing Regulation 4.2 which is reproduced below shall be replaced with a proposed Regulation as follows:

Existing Regulation 4.2:

“ Every Obligated Entity shall at least purchase source wise energy from Renewable sources 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

| <i>Year-wise target</i> | <i>Solar Source (%)</i> | <i>Non Solar sources (%)</i> | <i>Total (%)</i> |
|--------------------------------|--------------------------------|-------------------------------------|-------------------------|
| <i>2015-16</i> | <i>0.50</i> | <i>2.50</i> | <i>3.00</i> |
| <i>2016-17</i> | <i>1.50</i> | <i>3.00</i> | <i>4.50</i> |
| <i>2017-18</i> | <i>3.00</i> | <i>4.50</i> | <i>7.50</i> |
| <i>2018-19</i> | <i>4.50</i> | <i>5.00</i> | <i>9.50</i> |
| <i>2019-20</i> | <i>5.50</i> | <i>5.50</i> | <i>11.00</i> |

However, for FY 2015-16 the above percentage shall be pro-rated depending upon the date on which the present Regulation is published in the official Gazette.

Provided that depending upon the progress of development of Renewable Energy Sources in the State, the Commission may revise the RPO percentage suitably by an order:

In the event of non-availability of above mentioned quantum of power from non-solar renewable sources in a particular year, the procurement of additional solar energy over and above the solar percentage fixed for that year shall be utilized for fulfillment of the total RPO in that year:

Provided 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:

Provided that 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. Further, the Commission, if required, may specify the RPO beyond 2019-20 by a special Order under these Regulations:

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.”

Proposed new Regulation 4.2:

“Every Obligated Entity shall at least purchase source wise energy from Renewable sources 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-wise target | Solar Source (%)* | Non Solar sources (%) | Total (%) |
|-------------------------|--------------------------|------------------------------|------------------|
| 2015-16 | 0.50 | 2.50 | 3.00 |
| 2016-17 | 2.75 | 8.75 | 11.50 |
| 2017-18 | 4.75 | 9.50 | 14.25 |
| 2018-19 | 6.75 | 10.25 | 17.00 |
| 2019-20 | 7.00 | 10.50 | 17.50 |

*** the percentage of Solar energy purchase should be based on total consumption excluding major Hydro power both Central and State.**

Further, Distribution Licensee(s) shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own, at the tariff determined by OERC under Section 62 of the Act.

However, for FY 2016-17 the above percentage shall be pro-rated depending upon the date on which the present Regulation is published in the official Gazette.

Provided that depending upon the progress of development of Renewable Energy Sources in the State, the Commission may revise the RPO percentage suitably by an order:

In the event of non-availability of above mentioned quantum of power from non-solar renewable sources in a particular year, the procurement of additional solar energy over and above the solar percentage fixed for that year shall be utilized for fulfillment of the total RPO in that year:

Provided 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:

Provided that 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. Further, the Commission, if required, may specify the RPO beyond 2019-20 by a special Order under these Regulations:

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.”

Objections /suggestions are invited from the interested persons/ institutions/ associations/ consumers and other stakeholders on the above proposed new Regulation as per Section 181 (3) of the Electricity Act, 2003 so as to reach Secretary, OERC, Bhubaneswar by 15th November, 2016. After considering such objections / suggestions, the Commission may bring about modification in the proposed Regulation, if necessary.

By the Order of the Commission

SECRETARY I/c.