

ORISSA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012

NOTIFICATION

Dated the 30th September, 2010

No. OERC-Engg-02/2010/ In exercise of powers conferred under Section 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after previous publication, the Orissa Electricity Regulatory Commission hereby makes the following Regulations for the Renewable and Co-generation Energy Purchase Obligation and its compliance:

1. Short title and commencement.

- (1) These Regulations may be called the OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010.
- (2) These Regulations shall come into force from the date of their publication in the Official Gazette.
- (3) These Regulations shall apply throughout the State of Orissa.

2. Definitions and Interpretation: In these regulations, unless the context otherwise requires,

- a) 'Act' means the Electricity Act, 2003 (36 of 2003);
- b) '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;
- c) 'Central Commission' means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- d) "Certificate" means the renewable energy certificate 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;
- e) 'Commission' means the Orissa Electricity Regulatory Commission as referred in subsection (1) of section 82 of the Act;
- f) '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 Certificate can be dealt in power exchange;
- g) 'MNRE' means the Ministry of New and Renewable Energy, Government of India;
- h) 'Obligated entity' means the entity mandated under clause (e) of sub-section (1) of Section 86 of the Act to fulfill the renewable purchase obligation and identified under clause 3 of these Regulations;

This shall be applicable to:

- (1) Distribution licensee (or any entity procuring power on their behalf).
- (2) Any other person consuming electricity (i) generated from conventional Captive Generating Plant having capacity of 5 MW and above for his own

use and/or (ii) procured from conventional generation through open access and third party sale.

- i) 'Power Exchange' means any exchange operating as power exchange for electricity in terms of the orders issued by the Central Commission;
- j) "Renewable energy sources" means renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste, and such other sources as recognized or approved by MNRE;
- k) '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 co-generation and generation of electricity from renewable energy sources;
- l) 'State Agency' means the agency in the State of Orissa 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;
- m) 'Year' means a financial year.
- n) 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 such other Regulations issued by the Commission.

3. Purchase Obligation from Renewable Sources and Co-generation.

- (1) Every Obligated Entity shall purchase not less than 5% of its total annual consumption of energy from co-generation and renewable energy sources under the RPO Regulations from 2011-12 onwards with 0.5 percentage increase every year thereafter, till 2015-16 or as reviewed by the Commission even earlier, if any.

Provided that 0.10 percentage out of the RPO so specified in the year 2011-12 shall be procured from generation based on solar as renewable energy source and shall be increased at a rate of 0.05 percentage every year thereafter till 2015-16 or as reviewed by the Commission even earlier, if any. Accordingly, the year and source wise RPO would be as below:

Year-wise target	Minimum quantum of purchase in percentage (in terms of energy consumption in the State in KWH)			
	Renewable		Co-generation	Total
	Solar	Non-solar		
2009-10 (Actual)	-	0.80	3.45	4.25
2010-11	-	1.0	3.50	4.5
2011-12	0.10	1.20	3.70	5.0
2012-13	0.15	1.40	3.95	5.5
2013-14	0.20	1.60	4.20	6.0
2014-15	0.25	1.80	4.45	6.5
2015-16	0.30	2.00	4.70	7.0

Provided further, such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from all the renewable energy sources already being made by the concerned obligated entity.

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.

4. **Connectivity**

- 4.1 The Co-generation and renewable energy sources excepting roof-top Solar PV and bio-gas sources shall be connected to the State Grid at a voltage level of 132 KV or 33 KV or 11 KV subject to technical suitability determined by the licensee. If any dispute arises about the technical suitability of connection of such sources with the grid, the matter shall be referred to the Commission whose decision in this regard shall be final. The delivery point shall be the nearest grid sub-station having 132 KV / 33 KV / 11 KV voltage level. Synchronization point shall, however, remain at the power station end with all protection and inter-lock as agreed to between the licensee, STU and developer. Such connectivity shall also be provided for use of licensee's system under open access. More than one such projects established by the developer located near each other are to be clustered together as far as possible in order to avail connectivity with the grid sub-station.
- 4.2 Roof-top Solar PV sources shall be allowed connectivity at LV or MV or 11 KV of the distribution system of the licensee as considered technically and financially suitable by the licensee and the developer. 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. Supply of electricity to the consumer(s) from the licensee's sources and that to the licensee's distribution system from the roof-top Solar PV sources shall be measured either by two separate meters, the readings of which shall be used in each billing period for settlement on net basis or alternatively by an export-import type meter suitable for directly measuring the net exchange. The meter for measuring the energy injected from Solar PV sources shall be provided by the licensee against applicable meter rent along with the connection of the meter upto the nearest technically suitable point in the distribution system of the licensee. The connectivity from the roof-top Solar PV sources upto the meter shall be at the cost and responsibility of the consumer(s) and shall be in accordance with the guidance of the licensee so that the licensee's distribution system is not affected by any fault in the system owned by the consumer(s).
- 4.3 Bio-gas Plants, if connected to the distribution system, shall be connected at 415 V, 3 phase or at 11 KV of the distribution system of the licensee according to the technical suitability examined by the licensee.
- 4.4 Communication system between grid sub-station and generating station shall be developed by the developer / developers at its / their cost. Protection schemes shall be examined by the licensee to suit the requirements. Developers of cogeneration

and renewable energy sources shall abide by all applicable codes, rules, regulations etc. in regard to operational and commercial practices.

- 4.5 Wherever cogeneration and 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 insufficient redundancy, such grid connection shall be converted into suitable voltage level preferably with double circuit line and cost for such conversion shall be borne by the developer.

5. Certificates under the Regulations of the Central Commission

- (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 shall be the valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities to purchase 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 source 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.

- (2) Subject to such directions as the Commission may give from time to time, the Obligated Entities shall act consistent with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the RPO under these regulations.
- (3) The Certificates purchased by the obligated entities from the power exchange in terms of the regulation of the Central Commission mentioned in clause (1) of this Regulation shall be deposited by the obligated entities to 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.

6. State Agency

- (1) The Commission shall designate an agency as State Agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these Regulations.
- 2) The State Agency shall function in accordance with the directions issued by the Commission and shall act consistent with the procedures/rules laid by Central Agency for discharge of its functions under the Central Electricity Regulatory

Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 .

- (3) The State Agency shall submit quarterly status 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.
- (4) The Commission may from time to time fix the remuneration and charges payable to the State Agency for discharge of its functions under these regulations, to be recovered from the accredited entities and obligated entities.
- (5) If the Commission is satisfied 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. Effect of default

- (1) If the Obligated Entity does not fulfill the RPO as provided in these regulations during any year and also does not purchase the certificates, the Commission may direct the obligated entity to deposit into a separate fund, to be created and maintained by such obligated entity, such amount as the Commission may determine on the basis of the shortfall in units of RPO and the forbearance price decided by the Central Commission:

Provided that the fund so created shall be utilised, as may be directed by the Commission, for purchase of the certificates:

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:

Provided also that the obligated entities shall be in breach of its licence condition if it fails to deposit the amount directed by the Commission within 15 days of the communication of such direction.

- (2) Where any Obligated Entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources or the renewable energy certificates, it shall also be liable for penalty as may be decided by the Commission under section 142 of the Act.

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 (1) of this Regulation or the provision of section 142 of the Act shall not be invoked.

8. **Appointment of Compliance Auditors :**

The Commission may appoint from time to time Compliance Auditors to inquire into and report on compliance of these Regulations. The Auditor shall also certify the fund created under Regulation 7(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.

9. **Power to give directions :**

The Commission may from time to time issue such directions and orders as considered appropriate for the implementation of these Regulations and for the development of market in power for Renewable Energy Sources.

10. **Power to Relax :**

The Commission may be general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.

11. **Cross-Subsidy :**

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.

12. **Power to Remove Difficulties :**

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, Indian Electricity Grid Code, these Regulations, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

13. **Power to Amend:**

The Commission may, at any time, add, vary, alter and modify the provisions of these Regulations through amendments.

By order of the Commission

(P.K.Swain)
SECRETARY