

**Chhattisgarh State Electricity Regulatory Commission**  
**G.E. Road, Civil lines, Raipur**

**Raipur, Dated 14 July, 2008**

**STATEMENT OF OBJECTS AND REASONS:** Section 86(1)(e) of the Electricity Act, 2003 (the Act) mandates the State Commission to promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, *and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.* The National Electricity Policy has also emphasized urgent need to promote electricity generation based on such sources of energy (para 5.12.1 of the policy). The Tariff Policy also provides that pursuant to the provisions of section 86(1)(e) of the Act, the SERCs shall fix a minimum percentage for purchase of energy from such sources taking into account availability of such sources in the region and its impact on retail tariffs.

No. 25/CSERC/2008 - Keeping the above objectives in view, the Chhattisgarh State Electricity Regulatory Commission, in exercise of the power vested in the Commission under section 86(1)(e) of the Act read with section 181 of the Act, hereby makes the following regulations to regulate procurement of power from renewable sources of energy by distribution licensee(s) within the State of Chhattisgarh.

**1. Short Title, Extent and Commencement**

- i. These Regulations may be called “the Chhattisgarh State Electricity Regulatory Commission (Procurement of Power from renewable sources of energy by distribution licensees) Regulations, 2008.”
- ii. These Regulations extend to the whole of the State of Chhattisgarh.
- iii. These Regulations shall come into force on the date of notification in the Chhattisgarh Rajpatra.

**2. Definitions**

2.1 In these Regulations, unless the context otherwise requires: -

- i) "Act" means the Electricity Act, 2003 (Act 36 of 2003).
- ii) "Commission" means Chhattisgarh State Electricity Regulatory Commission.
- iii) "Licensee" means a distribution licensee as defined in the Act.
- iv) "Quantum of purchase" means the share of electricity from renewable sources required to be purchased by a distribution licensee, expressed on a percentage of its total requirement, as specified in these regulations. The quantum would be the sum of all direct purchase from generating stations based on renewable sources.
- v) "Renewable sources" means renewable sources of energy used to produce electricity such as small hydel, wind, solar, biomass, bagasse based co-generation, urban/municipal waste, or other such sources as approved by the Ministry of New and Renewable Sources of Energy (MNRE) Govt or Government of Chhattisgarh, which are generally inexhaustible and can be replenished in a short period of time

- vi) Small Hydel Plant (SHP) means hydel power station with an installed capacity upto and including 25 MW.
- vii) State means the State of Chhattisgarh.
- viii) Words and expressions used and not defined in these Regulations but defined in the Act shall have the meanings assigned to them in the Act. Expressions used herein but not specifically defined in these Regulations or in the Act but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law. Expressions used herein but not specifically defined in the Regulations or in the Act or any law passed by a competent legislature shall have the meaning as is generally assigned to them in the electricity industry.

**3. Quantum of electricity generated from renewable sources required to be purchased by licensees.**

3.1 Licensees shall purchase a minimum percentage of their total consumption of electricity during a financial year in their respective areas of distribution, from the stations generating electricity from various renewable sources of energy as given below:-

Renewable Energy Sources	Minimum quantum of electricity to be procured by licensees as percentage of total consumption.
Biomass-based plants	5%
Small hydel plants	3%
Solar Energy (incl. PV and PV thermal systems) Wind, Bagasse based co-generation & others	2%

“Provided that subject to the overall purchase obligation of 10 percent, the licensee may, for sufficient reasons and with the approval of the Commission, vary the percentage of purchase from one or more of renewable sources of energy and make good the shortfall in purchase from one source by purchase from another source.”

- 3.2 Such purchase shall be made at tariffs determined by the Commission from time to time. Purchase already contracted by the licensees as per the orders of the Commission for biomass-based power plants or small hydel plants in the State shall be reckoned for the purpose of the purchase obligation given above.
- 3.3 Each licensee shall indicate the proposed quantum of purchase of electricity generated from renewable sources for the ensuing year, in the tariff filing. The proposed quantum of purchase shall be in accordance with clause 3.1 of these regulations, escalated at the same rate of escalation as in the consumption of energy proposed for the ensuing financial year.
- 3.4 While indicating the quantum of purchase from renewable sources, the licensees shall indicate the sources from which purchase of the specified quantum is planned. The licensees shall as far as possible source the proposed quantum of electricity from renewable sources within their respective areas of supply. However, non availability of such sources in the

licensees area will not be accepted as a ground for exemption from the purchase obligation or for reduction in the quantum required to be purchased as per these regulations.

- 3.5 In a situation where the licensee is unable to purchase the required quantum within area of supply due to shortage or non availability of such sources in any given year, to the extent of shortfall shall be made good by the licensee from renewable sources outside the licensee's area of supply but within the State.
- 3.6 While contracting new sources, priority shall be given to the date of commercial operation of the generating stations.
- 3.7 The licensee should provide adequate payment security mechanism for purchase of energy from renewable sources.
- 3.8 There is no restriction on the licensee procuring electricity generated from renewable sources of energy over and above quantum specified in clause 3.1 of these regulations, but such additional purchases has to be by bidding process as per the provisions in section 63 of the Act.
- 3.9 The Commission shall review the purchase obligation from renewable sources of a licensee after 3 years. The purchase obligation as under clause 3.1 above shall be valid till it is revised by the Commission.
- 3.10 Non-compliance of purchase obligation under clause 3.1 shall be treated as a violation of these regulations punishable under the provisions of Section 142 of the Act.

**4. Priority for connectivity / transmission / wheeling:**

- 4.1 Licensees shall give Priority to connectivity / transmission / wheeling of renewable energy through the grid system. Any person generating electricity from renewable sources, irrespective of the installed capacity, shall have preference in open access to any licensee's transmission system and/or distribution system or grid or to any captive user or third partys as the case may be. On an application from such person, the STU or transmission licensee or distribution licensee shall provide appropriate interconnection facilities, as is feasible, within the time period specified under the standards of performance regulations notified by the Commission. Such interconnection shall also follow the State Grid Code as notified by the Commission.

**5. Power to remove difficulties**

- 5.1 The Commission may either suo motu or on an application from any person review these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

**6. Power to Amend**

The Commission may from time to time add, vary, alter, modify or amend, in provisions of these regulations.

**(N.K. Rupwani)**  
**Secretary**