Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC Framework Implementation) (First Amendment) Regulations, 2020

EXPLANATORY MEMORANDUM

No. XX/CSERC/2020 Dated 06/05/2020

1. Legal Framework

Chhattisgarh State Electricity Regulatory Commission (the Commission), in exercise of powers vested under section 86 read with Section 181 of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in this behalf, made Chhattisgarh State Electricity Regulatory Commission (Renewable Purchase Obligation and REC framework Implementation) Regulations, 2016 (hereafter called “the Principal Regulations”). In these regulations, obligated entities and minimum quantum of renewable energy to be procured by obligated entities as percentage of total consumption have been specified.

In February 2019, Ministry of Power, after considering the concerns raised by various stakeholders regarding capping of RPO for captive power plants and after consultation with MNRE, issued a clarification to the effect that RPO of the Captive Power Plants (hereinafter, CPP) may be pegged at the RPO level applicable in the year in which the CPP was commissioned and as and when the company adds to the...
capacity of CPP, it will have to provide for additional RPO as obligated in the year in which new capacity is commissioned. Subsequently, on 01.10.2019, MoP, after considering the concerns of the stakeholders and after consultation with MNRE, CEA and CERC, revised its earlier clarification issued in February 2019. The clarification dated 1\textsuperscript{st} October 2019 reads as under:

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

ii. 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.

iii. 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."

2. Some industries having CGPs have expressed difficulty in complying the RPO trajectory specified in the Principal Regulations and submitted that the clarification of Ministry of Power, if adopted, will provide them some relief.

3. Further, the Commission, in Order dated May 04, 2020 in P No 53 of 2019 (M), in the matter of petition seeking implementation of letter No. 30/04/2018-R&R dated 01.02.2019 issued by Ministry of Power, Government of India for the purpose of fulfilment of renewable purchase obligation (RPOs) by captive users of the captive generating plant, has held as follows:

"The Commission is of the view that since this would require an amendment in the existing Regulations of 2016, we have to follow
the regulatory process as prescribed under Section 181 of the Electricity Act 2003, so as to incorporate the clarification dated 01.10.2019 issued by the Ministry of Power. Regulatory process under Section 181 of the Act may, therefore, be initiated.”

4. In pursuance of the Principal Regulations, the Commission hereby proposes amendment of Regulation 4.3 of the Principal Regulations.

By the Order of the Commission

(S. P. Shukla)
Secretary