

JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA AND UNION TERRITORIES)

NOTIFICATION

Gurgaon, the 22nd December, 2015

AMENDMENTS IN JERC (PROCUREMENT OF RENEWABLE ENERGY) REGULATIONS – 2010

No. JERC - 14/2010.—In exercise of the powers conferred under Section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Joint Electricity Regulatory Commission (For the State of Goa & UTs), based on (i) experience gained over a period of time; (ii) administrative and operational expediency of implementation; and (iii) the Central Government's greater thrust and new policy initiatives on promoting and accelerating development of renewable sources of energy on a much larger scale, recognized the need for a review of the Joint Electricity Regulatory Commission (Procurement of Renewable Energy) Regulations, 2010 read along with the first amendment of 19th February 2014 (hereinafter refer to as the Principal Regulations), and hereby makes the following regulations to amend the cited Regulations as follows:-

I. Short Title, Commencement and extent of application

- i. These Regulations may be called the Joint Electricity Regulatory Commission (Procurement of Renewable Energy) (Second Amendment), Regulations, 2015.
- ii. These Regulations shall come into force from the date of their publication in the Official Gazette.
- iii. These Regulations shall extend and apply to the obligated entities in the whole of the State of Goa and the Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry.
- iv. These Regulations shall apply to all Distribution Licensees, captive users, using other than Renewable Energy Sources exceeding 1 MW, and to Open Access Consumers with a contracted demand exceeding 1 MW from sources other than Renewable sources of Energy.

II. Amendment of Regulation 2 of the Principal Regulations

- a. Before (b) of Regulation 2, following new insertions are made and numbered as (b), (c), (d), (e) & (f):-
- b. **“Area of Supply”** means the areas within which the Distribution Licensees/ deemed licensees are authorized to supply electricity.
- c. **“Captive User”** shall have the same meaning as defined in rule 3 (2) of Electricity Rules 2005.
- d. **“Central Agency”** means the agency, as the Central Commission may designate 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 issued by the Central Agency in accordance with the procedures prescribed by it under the provisions specified in the Central Electricity Regulatory Commission (Terms & Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations 2010.
- g. (b) of Regulation 2 of the Principal Regulations is, consequently, numbered as (g).
- h. (c) Under Regulation 2 of the Principal Regulations is numbered as (h) and is amended to read as under:
“Eligible Entity means renewable energy generator who has obtained necessary accreditation from the Central/ State Agency.”
- i. (d) of Regulation 2 of the Principal Regulations is numbered as (i) and substituted as under:

“Floor Price and Forbearance Price” means the minimum price and the ceiling price, respectively as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms & Conditions for recognition and issue of Renewable Energy Certificate for Renewal Energy Generation) Regulations 2010, as amended from time to time, within which only the certificates can be dealt in the power exchange.

- j. (e) of Regulation 2 of the Principal Regulations is deleted.
- k. (f), (g), (h), (i) & (j) of Regulation 2 of the Principal Regulations, are renumbered as (j), (k) (l), (m) and (n), respectively.
- l. (k) of Regulation 2 of the Principal Regulations, is numbered as (o) and amended as under:-
 - (o) **“Obligated Entity** means the Distribution Licensees/ deemed licensees, captive user (s) and open access consumer (s) in the State of Goa and Union Territories, which is mandated to fulfill Renewable Purchase Obligation under these Regulations.
- m. A new insertion (numbered as ‘p’) is made as under:-
 - (p) **“Open access Consumer”** means a Consumer permitted by the Commission to receive supply of electricity from a person other than the Distribution Licensees of his area of supply who has availed of or intends to avail of open access.
- n. (l) and (m) of Regulation 2 of the Principal Regulations, are deleted.
- o. (n), (o), (p), (q) and (r) of Regulation 2 of the Principal Regulations are renumbered as (q), (r), (s), (t) & (u), respectively.
- p. Last paragraph of Regulation 2 of the Principal Regulations, is substituted as under:

“Words and expressions used in these Regulations and not expressly defined herein 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 other regulations issued by the Central Commission or such other regulations issued by the Commission.”

III. Amendment of Regulation 1 of the Principal Regulations

Regulation 1 (titled **‘Quantum of Renewal Purchase Obligation (RPO)**) of the Principal Regulations is renumbered as **3** and consequently all clauses therein.

1. Clause 1.1 (Amended 3.1), is substituted by the following:-

“Every obligated entity shall purchase electricity from renewable energy sources for fulfillment of a defined minimum percentage of its total consumption of electricity under the Renewable Purchase Obligation as specified in Table 1 below:-
2. At the end of Table 1, the following provisos shall be inserted:

“Provided that the Renewal Purchase Obligation from solar as specified in Column 3 shall be fulfilled from the generation based on solar sources only;

Provided further that such obligation to purchase Renewal energy shall be inclusive of the purchases, if any, from renewal energy sources already being made by the concerned obligated entity; and

Provided further that the power purchase from renewable sources under the Power Purchase Agreement (s) already entered into by the distribution licensees and consented to by the Commission, shall continue to be made till their present validity, even if the total purchase under such agreement (s) exceeds the percentage as specified in Table 1.”

IV. Insertion of a new Clause under this Regulation (Amended as 3)

A new Clause as 3.2 is inserted as follows:-

“3.2 Every obligated entity shall meet its RPO target by way of its own generation or by way of purchase from other sources / licensees or by way of purchase of Renewal Energy Certificates or by way of combination of any of the above options. Any long term purchase arrangements shall be made only with the approval of the Commission. The Commission shall approve long term PPAs on case to case basis.”

V. Regulations 2 & 3 of the Principal Regulations is renumbered as 4 & 5, respectively and consequently reference to all clauses in the existing regulations shall stand amended accordingly.

VI. Amendment in Clause 3.3 of Regulation 3 of the Principal Regulations

under Clause 3.3 of Regulation 3, (Amended as 5.3), after the word ‘format’, inserted the words “and within the period”.

VII. Insertion of new Regulations

After the Regulation 3 (titled **State Agency**) of the Principal Regulations (renumbered as 5), the following new regulations 6, 7, 8 and 9 are inserted.

“6. Distribution Licensee:

6.1 Each distribution licensee shall indicate along with sufficient proof thereof, the estimated quantum of purchase from renewable sources for the ensuing year in Tariff /Annual Revenue Requirement (ARR) petition in accordance with the regulations notified by the Commission.

6.2 If the Distribution Licensee fails to fulfill the minimum quantum of purchase from renewable energy sources, it shall be liable for penalty as per Regulation 10 of these Regulations.”

7. Captive User (s) and Open Access Consumer (s):

7.1 Every Captive User and Open Access Consumer shall submit necessary details regarding total consumption of electricity and purchase of energy from renewable sources for fulfillment of RPO on yearly basis on or before 30th April to the State Agency for the previous year.

7.2 Captive User (s) and Open Access Consumer (s) shall purchase renewable energy and / or Renewable Energy Certificate (s) as stated in Regulation 3 of these Regulations or generate renewable energy for its own consumption, which shall be considered for RPO purposes only after certification by the State Nodal Agency. If the Captive User (s) and Open Access consumer (s) are unable to fulfill the criteria as specified in Regulation 3 of these Regulations, the shortfall of the targeted quantum would attract payment of regulatory charge as per Regulation 10 of these Regulations. “

8. Renewable Energy Pricing:

8.1 New Renewable Energy Projects commissioned during the operative period shall have an option of following, either the tariff pricing structure, as may be stipulated in the relevant technology specific tariff Regulations of the Commission (including project specific tariff decided by the Commission) or adopt the REC mechanism for pricing of the electricity generated from the project.

8.2 Project which opt for preferential tariff shall have to continue with the same tariff pricing structure until the validity of Power Purchase Agreement ceases.

8.3 Open access consumer receiving electricity from renewable energy sources shall be exempted from the cross-subsidy surcharge determined by the Commission from time to time to the extent of RPO. However, no banking facility shall be provided for supply of electricity from renewable energy sources through open access.

Note 1 – The REC mechanism entails pricing of two components, namely, electricity component and renewable energy component representing environmental attributes of renewable energy generation. For the purpose of the operating period, the effective electricity component price shall be equivalent to “Pooled Cost of power purchase “of the Distribution Licensee, whereas, the price of RECs shall be as discovered in the Power Exchange.

Note 2- “Pooled Cost of Power Purchase” is the weighted average pooled price at which the Distribution Licensee shall purchase the electricity including cost of self-generation, if any, in the previous year from all the long-term and short-term energy suppliers, but excluding those based on renewable energy sources.

Note 3 – The Central Commission, in consultation with the Central Agency and the Forum of Regulators, from time to time prescribes the Floor Price and the Forbearance Price separately for solar and non-solar Renewable Energy Certificate (s).”

“9. **Priority for Open Access:**

9.1 An entity generating electricity from renewable energy sources irrespective of installed capacity shall have open access to any licensee’s transmission system or distribution system or grid, as the case may be, and such a licensee shall provide appropriate interconnection facilities, as far as possible, before commercial operation commences.

9.2 The interconnection facilities, whenever provided, shall follow the grid connectivity standards as specified in the Indian Electricity Grid / State Grid Code.”

VIII. Amendment of Regulation 4 (titled Consequences of Default) of the Principal Regulations

Regulation 4 is renumbered as 10 and consequently the clauses therein as 10.1 to 10.4 instead of 1 to 4.

In the first paragraph of this Regulation, after the words ‘Forbearance Price’, insert the words “decided by the Central Commission”. The sentence appearing thereafter is substituted by the following:

“Where any obligated entity fails to comply with the obligation to purchase the required minimum quantum of purchase from renewable energy sources or procure the Renewable Energy Certificate (s), it shall also be liable for penalty as may be decided by the Commission under Section 142 of the Act”.

Clause 4 of this Regulation of the Principal Regulations (Amended 10.4), is substituted by the following:

“That in case of genuine difficulty in complying with a Renewable Purchase Obligation the obligated entity can approach the Commission for carry forward of compliance requirement to the next year. However, credit for excess renewable energy purchase would not be adjusted in the next year.

Provided that where the Commission has consented to the carry forward of compliance requirement, the provision of penalty as mentioned in the first paragraph of this Regulation or the provision of section 142 of the Act shall not be invoked.

Provided further that the penalty enforced by the Commission on the obligated entity shall not be a pass through in the Aggregate Revenue Requirement (ARR) in case the obligated entity is the licensee / deemed licensee.”

IX. Insertion of new Regulation

Following new Regulation 11 is inserted as under:

“11. **Power to Relax:**

The Commission may, by order, for reasons to be recorded in writing, and after giving an opportunity of being heard to the parties affected or likely to be affected, relax any of the provisions of these Regulations on its own or on an application made before it by a person

which includes any company or body corporate or association or body of individuals whether corporate or not.

X. Amendment of Regulation 5 (titled Power to remove difficulties) of the Principal Regulations

This Regulation is renumbered as 12 and substituted by the following:

“12.1 In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may by order, issue appropriate directions to any generating company, Distribution Licensee, captive user and open access consumer, to take suitable action, not being inconsistent with the provision of the Act, which appear to the Commission to be necessary or expedient for the purpose of removing the difficulty.

12.2 Any generating company, Distribution Licensees, captive user, open access consumers may make an application to the Commission and seek suitable orders to remove any difficulty that may arise in implementation of these Regulations.”

XI. Amendment of Regulation 6 (titled Power to amend) of the Principal Regulations

This Regulation is renumbered as 13

The word ‘or’ appearing after the word modify is deleted. After the word ‘amend’, inserted the words “or repeal”.

XII. Amendment of Regulation 7 (titled Review of Regulations) of the Principal Regulations

This Regulation is substituted by the following:

“14 **Savings**

Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.

Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Electricity Act 2003 (36 of 2003) a procedure, which is at variance with any of the provisions or these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Electricity Act 2003 (36 of 2003) for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

KEERTI TEWARI, Secy.

[ADVT. III/4/Exty./218-I/301]