

**HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION SHIMLA**

NOTIFICATION

Shimla the 03rd October, 2011

No.HPERC/438.- WHEREAS regulation 4 of Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations,2010, specifies the quantum of Renewable Power Purchase Obligations (RPPO), for FY 2010-11 to FY 2012-13 for Non-Solar and Solar energy, for the distribution licensee as well as Captive and Open Access users/consumers;

AND WHEREAS the distribution licensee has expressed difficulty in fulfillment of Solar RPPO, as the distribution licensee had entered into MOU with Himachal Pradesh Power Corporation Ltd.(HPPCL) to procure 3 MW of Solar energy, under Jawahar Lal Nehru National Solar Mission, but the final allotment of these projects could not be made in favour of the Himachal Pradesh Power Corporation Ltd and, therefore, projects could not be initiated;

AND WHEREAS the distribution licensee, though, through private developer has initiated the process of identification of suitable sites for Solar projects in its own hydro generating stations, sub-stations and other land sites owned by the distribution licensee, yet installation of these Solar projects following due bidding process, is likely to take some time;

AND WHEREAS the Govt. of Himachal Pradesh is in the process of finalising the State Solar Policy and the distribution licensee also has no Policy framework to meet the Solar RPPO of 0.1% for FY 11-12 as specified in the said regulations;

AND WHEREAS the National Action Plan for Climate Change (NAPCC) has set a target of 5% renewable energy purchase for FY 2009-10, with an increase of 1% per annum for next 10 years, thereby envisaging 10% and 15% energy purchase from renewable sources by 2015 and 2020 respectively and that as per National Tariff Policy and National Solar Mission the target for Solar RPPO is 0.25% by FY 2013 and which shall go upto 3% by 2022;

AND WHEREAS as per the estimates of Commission's MYT Order for FY 11-12 to FY 13-14 and 18th Power Survey by the CEA, the consumption will be increasing substantially and with the possibility of many of new IPPs opting for REC mechanism, distribution licensee may barely meet the RPPO in the coming years as per existing arrangements/planning;

AND WHEREAS to meet the increasing quantum of renewable energy on sustainable basis, generation capacity needs to be enhanced and that hydel projects have a very long gestation period and other technologies are yet to be

tried and tested in the State requiring potential studies and demonstrations and therefore require long term planning and investments;

AND WHEREAS a long term trajectory of RPPO is always desirable to promote investment in renewables and market stability by providing the regulatory certainty;

AND WHEREAS in view of the above, it has become necessary to amend the existing RPPO regulations and also to specify the long term RPPO trajectory upto 2022;

AND WHEREAS draft amendments have been notified on 8th August, 2011 in the Rajpatra, Himachal Pradesh and objection/suggestion so received have been duly considered;

NOW, THEREFORE, in exercise of the power conferred by sub-section (1) of section 181, read with sub-section (1) of section 62, section 66, clauses (a), (b) and (e) of section 86 and clause (zi) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf and after previous publication, the Himachal Pradesh Electricity Regulatory Commission makes the following regulations further to amend the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010, published in the Rajpatra, Himachal Pradesh, dated 29th May, 2010 :-

REGULATIONS

1. Short title and commencement- (1) These regulations shall be called the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) (First Amendment) Regulations, 2011.

(2) These regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.

2. Amendment of Regulation 4. – In regulation 4 of the Himachal Pradesh Electricity Regulatory Commission ((Renewable Power Purchase Obligation and its Compliance) Regulations, 2010, hereinafter called the said regulations,-

(i) for sub-regulation(1), the following sub-regulation(1) shall be substituted, namely.-

“(1) As specified in the Table below,-

(a) the distribution licensee shall purchase electricity (in kWh) from renewable sources, at a minimum percentage of the total

consumption including transmission and distribution losses, within area of the distribution licensee, during a year; and

(b) the Captive and Open Access User(s) /Consumer(s), shall purchase electricity (in kWh) from renewable sources, at a minimum percentage of his total consumption during a year:-

Table-Minimum percentage for Renewable Power Purchase Obligation

Year	Minimum Quantum of Purchase (in %*) from renewable sources (in terms of energy in kWh) of total consumption.	
	Total RPPO %age.	Minimum Solar RPPO %age of the total purchase
2011-12	10.01	0.01
2012-13	10.25	0.25
2013-14	10.25	0.25
2014-15	10.25	0.25
2015-16	11.25	0.25
2016-17	12.25	0.25
2017-18	13.50	0.50
2018-19	14.75	0.75
2019-20	16.00	1.00
2020-21	17.50	2.00
2021-22	19.00	3.00

* *The estimated Minimum Quantum of Purchase (in MU(s) from renewable sources is given in Annexure-I to these regulations.*

Provided that the solar power purchase obligation shall be fulfilled from the generation based on solar sources only:

Provided further that such obligation to purchase renewable energy shall not include the power purchased at pooled cost as specified in the Central Electricity Regulatory Commission (Terms and Conditions of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, but shall be inclusive of -

- (i) purchases from generating stations based on renewable energy sources,
- (ii) purchases from any other distribution licensee, which would arise from renewable sources,
- (iii) the energy generated from its own renewable sources, if any, by the obligated entity;

Provided further that the power purchases under the power purchase agreements for the purchase of renewable energy sources already

entered into by the distribution licensees shall continue to be made till their present validity, even if the total purchases under such agreements exceeds the percentage as specified hereinbefore”; and

(ii) in sub-regulation (2), for the words “for a year as per”, the words “specified under” shall be substituted.

(iii) the sub-regulation(3) shall be omitted.

3. **Addition of Annexure-I.-** At the end of the said regulations following Annexure-1, shall be added, namely:-

Annexure-I				
Estimated RPPO (in MUs) from renewable sources				
Financial year	Years	Total Energy Requirement in MUs including T&D Losses	Minimum Solar Power purchase Obligation in MUs	Total Renewable Power purchase Obligation in MUs
FY 12	2011-12	8244.00	0.82	825.22
FY 13	2012-13	8748.00	21.87	896.67
FY 14	2013-14	9168.00	22.92	939.72
FY 15	2014-15	9159.20	22.89	938.81
FY 16	2015-16	9719.37	24.30	1093.42
FY 17	2016-17	10312.40	25.78	1263.26
FY 18	2017-18	10926.18	54.63	1475.03
FY 19	2018-19	11575.04	86.81	1707.31
FY 20	2019-20	12260.97	122.60	1961.75
FY 21	2020-21	12986.08	259.72	2272.56
FY 22	2021-22	13752.57	412.57	2612.98

By the order of the Commission

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Secretary