

# PUNJAB STATE ELECTRICITY REGULATORY COMMISSION

## Notification

The 03,June, 2011

**No.PSERC/Secy./Reg./55--** In exercise of powers conferred by sections 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Punjab State Electricity Regulatory Commission hereby makes the following Regulations for the Renewable Purchase Obligation and its compliance:

### 1. Short title, commencement and extent of application

- (1) These Regulations may be called the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2011.
- (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 Punjab.

### 2. Definitions and Interpretation

- (1) In these Regulations, unless the context otherwise requires,
  - a) **'Act'** means the Electricity Act, 2003 (36 of 2003);
  - b) **'Central Agency'** means the agency operating the National Load Despatch Centre or such other agency as the Central Commission may designate from time to time;
  - 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 laid down 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 as amended from time to time;

e) '**Commission**' means the Punjab State Electricity Regulatory Commission as referred in sub-section (1) of section 82 of the Act;

f) '**floor price**' means the minimum 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, at and above which the certificate can be dealt in the power exchange;

g) '**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 certificates can be dealt in the power exchange;

h) '**MNRE**' means the Ministry of New and Renewable Energy;

i) '**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;

j) '**Power Exchange**' means that power exchange which operates with the approval of the Central Commission;

k) '**preferential tariff**' means the tariff fixed by the Appropriate Commission for sale of energy, from a generating station using renewable energy sources, to a distribution licensee;

l) '**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;

m) '**renewable purchase obligation**' means the requirement specified by the Commission under clause (e) of sub-section (1) of section 86 of the Act, for the obligated entity to purchase electricity from renewable energy sources;

n) '**State Agency**' means the agency in the State of Punjab as may be designated by the Commission to act as the agency for accreditation and

recommending the renewable energy projects for registration and to undertake such functions as may be specified under clause (e) of sub-section (1) of section 86 of the Act;

o) 'Year' means a financial year.

- (2) Words and expressions used in these Regulations and not 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 Regulations issued by the Central Commission or such other Regulations issued by the Commission.

### **3. Renewable Purchase Obligation**

- (1) Every obligated entity shall purchase electricity from renewable energy sources including solar, not less than a percentage specified by the Commission from time to time, of its consumption of electricity (energy input in the system of obligated entity at its boundary) under the Renewable Purchase Obligation (RPO);

Provided that a specified percentage out of the renewable purchase obligation so specified shall be procured from generation based on solar as renewable energy source only;

The specified minimum percentages are given in Table-1.

**Table-1**

| <b>Year</b> | <b>Total</b> | <b>Solar</b> | <b>Non Solar</b> |
|-------------|--------------|--------------|------------------|
| 2011-12     | 2.4          | 0.03         | 2.37             |
| 2012-13     | 2.9          | 0.07         | 2.83             |
| 2013-14     | 3.5          | 0.13         | 3.37             |
| 2014-15     | 4.0          | 0.19         | 3.81             |

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

Provided further that the purchase of electricity from renewable energy sources under the power purchase agreements 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 purchases under such agreements exceed the percentage as specified by the Commission;

Provided also that renewable energy being received, if any, by the obligated entity from its own generating station(s) and being consumed in its area of distribution, shall be accounted for fulfillment of its renewable purchase obligation.

- (2) The Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity, revise the percentage targets specified hereinabove, for any year, as deemed appropriate.
- (3) The renewable purchase obligation so specified in these regulations shall supersede the renewable purchase obligation as may be mentioned in any other regulation or order thereof issued/passed by the Commission.

#### **4. 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 from renewable energy sources;

Provided that in the event of the obligated entity fulfilling the renewable purchase obligation 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 based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

- (2) Subject to such direction as the Commission may give from time to time, the obligated entity 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, as amended from time to time, notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the Renewable Purchase Obligation under these Regulations.

- (3) The certificates purchased by the obligated entities from the power exchange in terms of the Regulations of the Central Commission mentioned in clause (1) of this Regulation shall be deposited by the obligated entities to the Commission in accordance with the detailed procedure issued by the Central Agency.

## **5. 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 renewable purchase obligation by the obligated entities in a suitable format and may suggest appropriate action to the Commission if required for compliance of the renewable purchase obligation.
- (4) In case it is established that the obligated entity is unable to fulfill its renewable purchase obligation fixed by the Commission for a particular year, for reasons attributable to the State Agency such as not executing sufficient capacity of renewable energy generating projects, it shall be liable for penalty as may be decided by the Commission under section 142 of the Act.
- (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.

## 6. Effect of default

- (1) If the obligated entity does not fulfill the renewable purchase obligation 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 renewable purchase obligation and the forbearance price decided by the Central Commission;

Provided that the fund so created shall be utilized, 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 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 distribution licensee shall be in breach of its licence conditions if it fails to deposit the amount directed by the Commission within 15 days of the communication of the direction.

- (2) Where any obligated entity fails to comply with the obligation to purchase the required percentage of electricity 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 renewable purchase obligation because of non-availability of certificates or otherwise, the obligated entity can approach the Commission for carrying forward of compliance requirement to the next year;

Provided that on being so approached, the Commission may review the fulfillment of the renewable purchase obligation by the obligated entity, keeping in view its performance and allow the shortfall to be carried forward to the next year in addition to the renewable purchase obligation for that year. At the end of 3 years period, the Commission may, if deemed appropriate, review the fulfillment of renewable purchase obligation by the obligated entity and pass suitable order(s);

Provided that where the Commission has consented to the carry forward of compliance requirement, the provision of clause (1) of the Regulation or the provision of section 142 of the Act shall not be invoked.

## **7. Inherent powers of the Commission**

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 for ends of justice or to prevent the abuse of process envisaged in these Regulations.

## **8. 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 inconsistent with the provisions of the Act, which it considers necessary or expedient for the purpose of removing the difficulties.

## **9. Power to Amend**

The Commission may, at any time add, vary, alter, modify or amend any provision of these Regulations.

**By order of the Commission**

**Sd/-  
Secretary  
PSERC, Chandigarh.**