

KARNATAKA ELECTRICITY REGULATORY COMMISSION

WHEREAS the Karnataka Electricity Regulatory Commission has published in the Karnataka Government Gazette on different dates the following, namely:-

- Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Notification No. S/03/1, Dated: 16.03.2011)
 - A. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (First Amendment), 2011 (Notification No. S/03/1, Dated: 20.12.2011)
 - B. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Second Amendment), 2012; (Notification No. : S/03/1, Dated: 14.09.2012)
 - C. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Third Amendment), 2015 (Notification No. : S/03/1, Dated: 16.11.2015)
 - D. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Fourth Amendment), 2017 (Notification No. : Y/03/16/2641, Dated: 21.02.2017)
 - E. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Fifth Amendment), 2018 (Notification No. : Y/02/17, Dated: 15.02.2018)
 - F. Karnataka Electricity Regulatory Commission (KERC), (Power Procurement from Renewable Sources by Distribution Licensee), Regulations, 2011, (Sixth Amendment), 2018 (Notification No. : Y/01/18, Dated: 15.11.2018)
 - Inserted/ Replaced matter is shown as []^A at appropriate place; wordings inserted/ replaced shown within square brackets;
 - In both of above cases; -^A ; superscript A implies that change is caused by Amendment '1';
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Notification No. S/03/1 dated 16th March 2011

KERC (Power Procurement from Renewable Sources by Distribution Licensee and Renewable Energy Certificate Framework) Regulations, 2011

Preamble

In exercise of powers conferred under Section 86(1)(e) read with Section 181 of the Electricity Act, 2003, the Karnataka Electricity Regulatory Commission had issued KERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulations 2004 vide Notification No. S/03/1 dated 27.09.2004. The 3bove Regulations were amended vide Notification No. S/03/1 dated 23rd January 2008. fixing a minimum of 10 % Renewable Energy Purchase Obligation (RPO) to BESCOM, MESCOM & CESC and 7 % to HESCOM, GESCOM & Hukkeri Co-operative Society.

The Central Electricity Regulatory Commission (CERC), on 14.01.2010.has issued the CERC (Terms & Conditions for recognition & issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations 2010 to facilitate meeting of Renewable Purchase Obligation (RPO) by Purchase of Renewable Energy Certificates (REC).

The Commission had issued draft KERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulations, 2010, inviting comments / suggestions from Stakeholders. The Commission also had a public hearing in the matter on 24.01.2010.

The Commission, having duly considered the comments and suggestions received and in exercise of the powers conferred under Clause (e) of sub Section (1) of Section 86 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling it in this behalf, makes the following Regulations :

1. Short Title application and commencement. –

- (1) These Regulations shall be called the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2011.
- (2) These Regulations shall extend to the whole of the State of Karnataka.
- (3) These Regulations shall come into force from the first day of April 2011.

2. Definitions: -

- (1) In these regulations, unless the context otherwise requires. -
 - (a) "Act" means the Electricity Act, 2003 (Act 36 of 2003);
 - (b) "Central Agency" means the agency as the Central Commission may designate from time to time under CERC (Terms and Conditions for Recognition & Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;
 - (c) "Central Commission" means the Central Electricity Regulatory Commission (CERC);

- (d) "Commission" means the Karnataka Electricity Regulatory Commission (KERC);
^{C1}(dd) "*Contract Demand*" means the load expressed in MW as mutually agreed to between the Distribution Licensee and the consumer as entered in the Power Supply Agreement;^f
- (e) "Distribution Licensee" means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (f) "Licensee" means a person who has been granted license under section 14 of the Act;
- (g) "MNRE" means the Ministry of New and Renewable Energy;
- (h) "REC" means renewable energy certificates issued by the Central agency;
- (i) "Renewable sources of energy" means non-conventional, renewable electricity generating sources such as mini-hydel, micro-hydel, wind, solar, biomass (including bagasse based co-generation), urban/ municipal waste, or such other sources as approved by the MNRE, Government of India, or Government of Karnataka;
- (j) "RPO" means Renewable Energy Purchase Obligation as may be specified by the Commission under clause (e) of sub-section (1) of section 86 of the Act;
- (k) "State" means the State of Karnataka;
- (l) "State Agency" means the agency as designated by the Commission to give accreditation to the projects based on renewable sources of energy and to undertake such functions as may be specified or directed by the Commission;
- (m) "State Transmission Utility (STL)" means the Board or Company notified as such by the State Government under sub-section (1) of section 39 of the Act'
- (n) "Tariff" means the tariff determined by the Commission for sale of energy from a generating station using renewable sources of energy to a distribution licensee;
- (o) "Year" means a financial year;

(2) The words and expressions used in these Regulations, and not defined herein but defined in the Act, shall have the same meaning as in the Act.

3. These Regulations shall apply to

- (i) Distribution Licensees operating in the State of Karnataka;
- ^{A2}(ii) ~~Any other person consuming electricity generated from captive generating plant or plants, using other than renewable sources and having a total capacity exceeding 5 MW; and~~
- (ii) ^{C3}~~Any other person consuming electricity generated from grid connected captive generating plant or plants, using other than renewable sources and having a total capacity exceeding 5 MW; and~~^A
- Any captive consumer consuming electricity generated from grid connected captive generating plant(s), including co-generation plant(s) and having a total installed capacity exceeding 5 MW within the State of Karnataka, and using fuel sources other than renewable sources; and*^C
- (iii) ^{C4}~~Any person consuming electricity with a contract Demand exceeding 5 MW procured by open access from sources other than renewable sources of energy.~~

¹ Inserted new clause (dd) after (d) of clause (1) of Regulation 2, vide Third amendment (C), 2015

² Omitted and inserted clause (ii) of Regulation 3, vide First amendment (A), 2011

³ Omitted and inserted clause (ii) of Regulation 3, vide Third amendment (C), 2015

⁴ Omitted and inserted clause (iii) of Regulation 3, vide Third amendment (C), 2015

- (a) Any person having a Contract Demand exceeding 5MW with the Distribution Licensee and procuring electricity exceeding one MW through open access from generating plant(s) including co-generation plant(s) generating electricity using fuel sources other than renewable sources of energy or procuring electricity exceeding one MVV through Power Exchange;
Explanation: The power sourced from Exchange which is pooled, such power is treated as non-RE source.
- (b) Any person not having any contract for power supply with the Distribution Licensee and procuring electricity exceeding one MW through open access from generating plant(s) including co-generation plants(s) generating electricity using fuel sources other than renewable sources of energy or procuring electricity exceeding one MW through Power Exchange.^f

4. Quantum of purchase of electricity from Renewable Sources of Energy. -

- ~~E⁵(i) — G⁶ Every Distribution Licensee shall purchase 3 minimum quantity of electricity from renewable sources of energy expressed as a percentage of its total procurement during a year as specified below:~~

ESCOM	RPO for RE sources other than	Solar RPO —¹
BESCOM	10%	0.25%
MESCOM	10%	0.25%
CESC	10%	0.25%
HESCOM	7%	0.25%
GESCOM	7%	0.25%
Hukkeri Society	7%	0.25%

~~Every Distribution Licensee shall purchase 3 minimum quantity of electricity from renewable sources of energy expressed as a percentage of its total procurement during a financial year as specified below:~~

~~(a) Non Solar RPO~~

DISTRIBUTION LICENSEE	2015-16	2016-17	2017-18	2018-19	2019-20 and onwards
<i>BESCOM</i>	10%	11%	12%	13%	14%
<i>MESCOM</i>	10%	11%	12%	13%	14%
<i>CESC</i>	10%	11%	12%	13%	14%
<i>HESCOM</i>	7%	7.5%	8.5%	9.5%	10.50%
<i>GESCOM</i>	5.0%	5.50%	6.0%	7.0%	8%
<i>HRECS</i>	7%	7.5%	8.5%	9.5%	10.50%
<i>DEEMED LICENSEE (S)</i>	RPO target shall be same as that of the ESCOM where the SEZ is situated.				

⁵ Omitted and inserted sub-regulation (i) of Regulation 4, vide Fifth amendment (E), 2018

⁶ Omitted and inserted sub-regulation (i) of Regulation 4, vide Third amendment (C), 2015

(b) Solar RPO

DISTRIBUTION LICENSEE	2015-16	2016-17	2017-18	2018-19	2019-20 and onwards
<i>BESCOM</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>MESCOM</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>GESC</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>HESCOM</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>GESCOM</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>HRECS</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>
<i>DEEMED LICENSEE (S)</i>	<i>0.25%</i>	<i>0.75%</i>	<i>1.25%</i>	<i>1.75%</i>	<i>2.50%</i>

Provided that, HRECS and deemed Licensee(s) procuring bulk power, partly or wholly, from ESCOM(s) shall be deemed to have complied with the RPO to the extent of such procurement from ESCOM(s), if such ESCOM(s) have complied with the RPO. In such cases, the concerned ESCOM(s) shall submit a copy of the quarterly RPO compliance report to HRECS or such deemed licensee(s), as the case may be.

Provided further that, the HRECS and the deemed Licensee(s) procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have not complied with the RPO to the extent of such procurement from the ESCOM(s), if such ESCOM(s) have not complied with the RPO. In such cases the onus of meeting the RPO shall be that of the HRECS or such deemed licensee(s), as the case may be.

Provided also that excess solar energy purchased beyond the specified RPO in an year, shall be allowed to be adjusted against the shortfall in non-solar RPO, if any, for that year.⁶

⁷ Every Distribution Licensee shall purchase a minimum quantity of electricity from renewable sources of energy expressed as a percentage of its total procurement excluding procurement from hydro power during a financial year, as specified below:

(a) Non-Solar RPO

DISTRIBUTION LICENSEE	Year wise				
	2015-16	2016-17	2017-18	2018-19	2019-20 and Onwards
<i>BESCOM</i>	<i>10%</i>	<i>11%</i>	<i>12%</i>	<i>13%</i>	<i>To be determined</i>
<i>MESCOM</i>	<i>10%</i>	<i>11%</i>	<i>12%</i>	<i>13.00%</i>	
<i>GESC</i>	<i>10%</i>	<i>11%</i>	<i>11%</i>	<i>12.00%</i>	

⁷ Omitted and inserted sub-regulation (i) of regulation 4, vide Sixth amendment (F), 2018

HESCOM	7%	7.5%	8.50%	9.50%	
GESCOM	5.0%	5.5%	6.00%	7.00%	
HRECS	7%	7.5%	8.50%	9.50%	
DEEMED LICENSEE(S)	RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.				

~~(b) Solar RPO~~

	Year wise				
DISTRIBUTION LICENSEE	2015-16	2016-17	2017-18	2018-19	2019-20 and Onwards
BESCOM	0.25%	0.75%	2.75%	6.0%	To be determined
MESCOM	0.25%	0.75%	2.75%	6.0%	
GESC	0.25%	0.75%	2.75%	6.0%	
HESCOM	0.25%	0.75%	2.75%	6.0%	
GESCOM	0.25%	0.75%	2.75%	6.0%	
HRECS	0.25%	0.75%	2.75%	6.0%	
DEEMED LICENSEE(S)	0%	0.75%	2.75%	6.0%	

~~Provided that, the HRECS and deemed Licensee(s), procuring bulk power, partly or wholly, from ESCOM(s) shall be deemed to have complied with the RPO to the extent of such procurement from ESCOM(s) if, such ESCOM(s) have complied with the RPO. In such cases, the concerned ESCOM(s) shall submit a copy of the quarterly RPO compliance report to the HRECS or such deemed licensee(s), as the case may be.~~

~~Provided further that, the HRECS and the deemed Licensee(s) procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have not complied with the RPO to the extent of such procurement from the ESCOM(s) if, such ESCOM(s) have not complied with the RPO. In such cases, the onus of meeting the RPO shall be that of the HRECS or such deemed licensee(s), as the case may be.~~

~~Provided also that excess solar energy purchased beyond the specified RPO in any year, shall be allowed to be adjusted against the shortfall in non-solar RPO, if any, for that year.~~

~~Provided also that, any distribution licensee failing to achieve the specified Solar RPO or any part thereof, for the year 2017-18, within the time specified but, having achieved compliance of such solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy purchased beyond the specified Non-Solar RPO for the year 2017-18.^F~~

⁸ Provided that, a distribution licensee may in case of non-availability of solar power generated in the State of Karnataka procure from other renewable sources of energy or REC to the extent of shortfall in its RPO in any year.]^A

Every Distribution Licensee shall purchase a minimum quantity of electricity from renewable sources of energy expressed as a percentage of its total procurement, excluding the procurement from hydro power during a financial year, as specified below:

(a) Non-Solar RPO

DISTRIBUTION LICENSEE	Year wise				
	2015-16	2016-17	2017-18	2018-19	2019-20 and Onwards
BESCOM	10%	11%	12% ^v	12%	To be determined
MESCOM	10%	11%	12%	13%	
CESC	10%	11%	11%	12%	
HESCOM	7%	7.5%	8.50%	9.50%	
GESCOM	5.0%	5.50%	6.00%	7.00%	
HRECS	7%	7.5%	8.50%	9.50%	
DEEMED LICENSEE (S)	RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.				

DISTRIBUTION LICENSEE	Year wise			
	2019-20	2020-21	2021-22	2022-23 and Onwards
BESCOM	10%	11%	12%	To be determined
MESCOM	10%	11%	12%	
CESC	10%	11%	11%	
HESCOM	7%	7.5%	8.50%	
GESCOM	5.0%	5.50%	6.00%	
HRECS	7%	7.5%	8.50%	
DEEMED	RPO target shall be same as that of the ESCOM where			

⁸ Deleted last proviso of clause (i) of regulation 4, vide First amendment (A), 2011

LICENSEE (S)	<i>the deemed Licensee(s) is situated.</i>
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(b) Solar RPO

DISTRIBUTION LICENSEE	Year wise				
	2015-16	2016-17	2017-18	2018-19	2019-20 and Onwards
BESCOM	0.25%	0.75%	2.75%	6.0%	To be determined
MESCOM	0.25%	0.75%	2.75%	6.0%	
CESC	0.25%	0.75%	2.75%	6.0%	
HESCOM	0.25%	0.75%	2.75%	6.0%	
GESCOM	0.25%	0.75%	2.75%	6.0%	
HRECS	0.25%	0.75%	2.75%	6.0%	
DEEMED LICENSEE (S)	0%	0.75%	2.75%	6.0%	

DISTRIBUTION LICENSEE	Year wise			
	2019-20	2020-21	2021-22	2022-23 and Onwards
BESCOM	7.25%	8.50%	10.50%	To be determined
MESCOM	7.25%	8.50%	10.50%	
CESC	7.25%	8.50%	10.50%	
HESCOM	7.25%	8.50%	10.50%	
GESCOM	7.25%	8.50%	10.50%	
HRECS	7.25%	8.50%	10.50%	
DEEMED LICENSEE (S)	<i>RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.</i>			

Provided that, the HRECS and deemed Licensee (s) procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have complied with the RPO to the extent of such procurement from the ESCOM(s) if such ESCOM(s) has/have complied with the RPO In such cases, the concerned ESCOM(s) shall submit a copy of the quarterly RPO compliance report to the HRECS or such deemed Licensee(s) as the case may be.

Provided further that, the HRECS and the deemed Licensee(s), procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have not complied with the RPO to the extent of such procurement from the ESCOM(s) if such ESCOM(s) have not complied with the RPO. In such cases, the onus of meeting the RPO shall be that of the HRECS or such deemed Licensee(s), as the case may be

Provided also that, any distribution licensee failing to achieve the specified Non-Solar RPO or any part thereof for the relevant year, within the time specified but having achieved compliance of such Non-solar RPO to the extent of 85% shall be permitted to meet the shortfall by excess Solar energy or RECs purchased beyond the specified Solar RPO for that relevant year

Provided also that, any distribution licensee failing to achieve the specified Solar RPO or any part thereof, for the relevant year, within the time specified but having achieved compliance of such solar RPO to the extent of 85% shall be permitted to meet the shortfall by excess Non-Solar energy or Non Solar RECs purchased beyond the specified Non-Solar RPO for that relevant year.

Explanation:

The exclusion of hydro power from the total procurement of energy shall be applicable from the year 2017-18 and onwards and such hydro power shall not include energy procured from Mini-Hydel sources.^f

~~E⁹(ii) C¹⁰ Every Grid Connected Captive consumer specified in clause 3(ii) above shall purchase a minimum quantity of 5 % of its consumption of energy from captive sources from renewable sources of energy.~~

~~Every Grid Connected Captive consumer, specified in clause 3(ii) above, shall purchase a minimum quantity of its consumption of energy from captive sources during a financial year from renewable sources of energy, as specified below~~

Source	2015-16	2016-17	2017-18	2018-19	2019-20 and onwards
NON-SOLAR	5.0%	5.5%	6%	7.0%	8%
SOLAR	0%	0.75%	1.25%	1.75%	2.50%

~~Provided that in the case of consumers being units of a single legal entity but located in more than one place within Karnataka State, the combined RPO of all such units within Karnataka State shall be reckoned for the purpose of meeting the RPO specified above.~~^f

~~F¹ Every Grid Connected Captive consumer specified in clause 3(ii) above shall purchase a minimum quantity of 5 % of its consumption of energy from captive sources from renewable sources of energy:~~

⁹ Omitted and inserted sub-regulation (ii) of Regulation 4, vide Fifth amendment (E), 2018

¹⁰ Omitted and inserted sub-regulation (ii) of Regulation 4, vide Third amendment (C), 2015

SOURCE	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>	<i>2019-20</i>
NON-SOLAR	5.0%	5.5%	6%	7.0%	To be determined
SOLAR	0%	0.75%	2.75%	6.0%	

Provided that, in the case of consumers being units of a single legal entity but located in more than one place within Karnataka State, the combined RPO of all such units within Karnataka State shall be reckoned for the purpose of meeting the RPO, specified above.

Provided also that, excess solar energy purchased beyond the specified RPO in an year, shall be allowed to be adjusted against the shortfall in non-solar RPO, if any, for that year.

Provided also that, any Grid Connected Captive consumer failing to achieve the specified Solar RPO or any part thereof, for the year 2017-18, within the time specified but, having achieved compliance of such solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy purchased beyond the specified Non-Solar RPO for the year 2017-18. f

Every Grid Connected Captive consumer, specified in clause 3(ii) above, shall purchase a minimum quantity of its consumption of energy from captive sources, during a financial year, from renewable sources of energy, as specified below:

Source	2015-16	2016-17	2017-18	2018-19	2019-20 and onwards
NON-SOLAR	5.0%	5.5%	6%	7.0%	8%
SOLAR	0%	0.75%	1.25%	1.75%	2.50%

Source	2019-20	2020-21	2021-22	2022-23 and onwards
NON-SOLAR	5.0%	5.5%	6%	To be determined
SOLAR	0%	0.75%	1.25%	

Provided that, in the case of consumers being units of a single legal entity but, located in more than one place within Karnataka State, the combined RPO of all such units within the Karnataka State, shall be reckoned for the purpose of meeting the RPO specified above.

Provided further that any Grid Connected Captive consumer failing to achieve the specified Non-Solar RPO or any par, thereof for the relevant, year, within the me specified by, having achieved

compliance of such Non-Solar RPO to the extent of 85% shall be permuted to meet the shortfall by excess Solar energy or RECs purchased beyond the specified Solar RPO for that relevant year.

Provided also that any Grid Connected Captive consumer failing to achieve the specified Solar RPO or any part thereof for the relevant year, within the time specified but, having achieved compliance of such Solar RPO to the extent of 85%, shall be permuted to meet the shortfall by excess Non-Solar energy or RECs purchased beyond the specified Non-Solar RPO for that relevant year.^f

~~E¹¹ (iii) C¹² Every Open Access Consumer specified in Clause 3(iii) above shall purchase from renewable sources of energy a minimum quantity of 5% of its consumption through Open Access sources.~~

~~Every Open Access Consumer specified in Clause 3(iii) above shall purchase a minimum quantity of its consumption through Open Access sources during a financial year from renewable sources of energy, as specified below:~~

Source	2015-16	2016-17	2017-18	2018-19	2019-20 onwards
Non-Solar	5.0%	5.5%	6%	7.0%	8%
Solar	0%	0.75%	1.25%	1.75%	2.50%

~~Provided that in the case of consumers being units of a single legal entity but located in more than one place within Karnataka State, the combined RPO of all such units within Karnataka State shall be reckoned for the purpose of meeting the RPO specified above.^e~~

~~F¹³ Every Open Access Consumer, specified in Clause 3(iii) above, shall purchase a minimum quantity of its consumption through Open Access sources during a financial year from renewable sources of energy, as specified below:~~

Source	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Solar	5.0%	5.5%	6%	7.0%	To be determined
Solar	0%	0.75%	2.75%	6.0%	

~~Provided that, in the case of consumers being units of a single legal entity but located in more than one place within Karnataka State, the combined RPO of all such units, within Karnataka State, shall be reckoned for the purpose of meeting the RPO specified above.~~

~~Provided also that, the excess solar energy purchased beyond the specified RPO in an year, shall be allowed to be adjusted against the shortfall in non-solar RPO, if any, for that year.~~

~~Provided also that, any Open Access Consumer failing to achieve the specified Solar RPO or any part thereof, for the year 2017-18, within the time specified but, having achieved compliance of such solar~~

¹¹ Omitted and inserted sub-regulation (iii) of regulation 4, vide Fifth amendment (E), 2015

¹² Omitted and inserted of (iii) of regulation 4, vide Third amendment (C), 2015

¹³ Omitted and inserted sub-regulation (iii) of regulation 4, vide Sixth amendment (F), 2018

~~RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy purchased beyond the specified Non-Solar RPO for the year 2017-18.^f~~

Every Open Access Consumer, specified in Clause 3 (iii) above, shall purchase a minimum quantity of its consumption through Open Access sources, during a financial year from renewable sources of energy, as specified below:

Source	2015-16	2016-17	2017-18	2018-19	2019-20 onwards
Non-Solar	5.0%	5.5%	6%	7.0%	7%
Solar	0%	0.75%	2.75%	6.00%	6.00%

Source	2019-20	2020-21	2021-22	2022-23 onwards
Non-Solar	10.25%	10.25%	10.50%	To be determined
Solar	7.25%	8.50%	10.50%	

Provided that, in the case of consumers being units of a single legal entity but located in more than one place within State of Karnataka, the combined RPO of all such units, within the State of Karnataka, shall be reckoned for the purpose of meeting the RPO specified above

Proved further that, any Open Access Consumer, failing to achieve the specified Non-Solar RPO or any part thereof for the relevant year, within the time specified but having achieved compliance of such Non-Solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Solar energy or RECs purchased beyond the specified Solar RPO for that relevant year

Provided also, that, any Open Access Consumer, failing to achieve the specified Solar RPO or any part thereof for the relevant year, within the time specified but having achieved compliance of such Solar RPO to the extent of 65%, shall be permitted to meet the shortfall by excess Non-Solar energy or RECs purchased beyond the specified Non-Solar RPO for that relevant year.^f

- (iv) Notwithstanding the limit specified above, procurement of energy from generating companies based on renewable sources of energy, under existing agreements, shall continue till the period of validity of such agreements and such energy purchases shall be accounted for the purpose of meeting RPO.
- (v) Every distribution licensee shall indicate the quantum of proposed purchase from renewable sources of energy for the ensuing year in the Expected Revenue from Charges (ERC) filing, duly indicating the sources of purchase.

5. ^D[¹⁴Renewable Energy Certificates (REC).^A¹⁵The distribution licensees, Captive Consumers and Open Access Consumers specified in Clause 3 above, may purchase REC to meet either partly or entirely the RPO specified at Clause 4 (1) above.

¹⁴ Deleted and inserted regulation 5, vide Fourth amendment (D), 2017

¹⁵ Deleted and inserted regulation 5, vide First amendment (A), 2011

~~The distribution licensees, Captive Consumers and Open Access Consumers specified in Clause 3 above, may purchase REC to meet either partly or entirely the RPO specified at Clause 4 (i), 4(ii) and 4(iii) respectively.~~

~~Provided that, the obligation of a distribution licensee to purchase electricity from solar energy may be fulfilled by purchase of solar RECs only.]^A~~

Alternative Modes of Compliance of RPO:

Every Distribution Licensee, Captive Consumer and Open Access Consumer [herein after, referred to as the obligated entity] specified in Regulation-3, may purchase REC or consume electricity generated from its own Renewable Energy Power Plant (grid-connected or otherwise), to meet either partly or entirely, its RPO specified in Regulation 4.

Provided that the Solar RPO of the obligated entity shall be fulfilled by purchase of Solar RECs or consumption of electricity from its own Solar Power Plant.

Provided further that the capacity of the Renewable Energy Power Plant owned by the obligated entity shall not be less than 250 kW.

Provided also that suitable metering and communication arrangement with the SLDC shall be established for such Renewable Energy Power Plant by the obligated entity for the purpose of monitoring the RPO compliance.

Provided also that SLDC, within 30 days from the notification of these Regulations, shall prepare a detailed procedure for metering, communication, reporting and monitoring of RPO compliance and host the same on its website.

Provided also that the obligated entity shall not have availed RECs in respect of the quantum of electricity consumed from its own Renewable Energy Power Plant for meeting its RPO.]^D

6. State Agency.-

- (1) The State Agency shall within three months from the date these Regulations coming into force formulate and notify procedures and Terms and Conditions for Accreditation, with prior approval of the Commission thereon, and shall in formulating such procedures be generally guided by the procedures / rules stipulated by the Central Agency under CERC (Terms and Conditions for recognition and issuance of Renewable Energy Generation) Regulations, 2010.
- (2) The State agency shall submit to the Commission quarterly reports indicating the details of Renewable Energy Generators to whom accreditation is accorded and the compliance of renewable purchase obligation by the Distribution Licensees, and other consumers specified above.
- (3) The Commission may from time to time fix the charges payable by RE Generating Companies to the State Agency for discharge of its functions under these reputations.

7. Conditions for Accreditation.- Renewable Energy Generators in the State applying for accreditation to the State Agency for securing REG shall satisfy the following conditions : -

- (a) The Generating Companies shall not have any subsisting power purchase agreements related to such generation with any of the distribution licensees of the State;
- (b) A Generating Company shall not, in case of premature termination of a power purchase agreement, be eligible in respect of the generation capacity covered by such PPA, for participating in REC Scheme for a period of one year from the date of termination of such agreement or till the scheduled date of expiry of PPA, whichever is earlier,
- (c) ^{A¹⁶} ~~A Generating Company opting for REC Scheme shall sell the electricity generated by it to ESCOMs of the State at the pooled cost of power purchase as approved by the Commission for the previous year in its tariff orders escalated for inflation.~~

A Generating Company opting for REC Scheme shall sell the electricity generated by it to ESCOMs of the State at the pooled cost of power purchase of the State, as notified by the Commission from time to time.

Explanation.-for the purpose of these regulations 'Tooled Cost of Purchase' means the weighted average pooled price at which the State distribution licensees put together have purchased the electricity including cost of self generation, if any, in the previous year from all the energy suppliers long-term and short-term , but excluding those based on renewable energy sources, as the case may be.^A

- (d) ^{B¹⁷} ~~Captive Power Producers (CPP) based on renewable sources of energy shall be eligible to get accredited for obtaining RE certificates for the entire energy generated from their plants including the energy used for captive consumption.~~

Grid Connected Captive Power Producers (CPP) based on renewable sources of energy shall be eligible to get accredited for obtaining RE certificates for the energy generated and used for captive consumption and for surplus energy, if any, sold to the distribution licensee/s of the State at the average pooled power purchase cost notified by the Commission from time to time.^B

- (e) If any Generating Company obtains accreditation contrary to these Regulations, the Commission may either suo-motu or otherwise cancel the accreditation after giving notice to such Generating Company.

8. Non-Compliance of RPO by Distribution Licensee.-

- (1) ^{C¹⁸} ~~If a distribution licensee or other consumer specified in clause 3 above fails to comply with the renewable purchase obligation as specified in these regulations during any year, the Commission may direct the distribution licensee or such other consumer to deposit such amount as the Commission may determine into a separate fund, to be created and maintained as directed by the Commission.~~

¹⁶ Omitted and inserted clause (c) of regulation 7, vide First amendment (A), 2011

¹⁷ Omitted and inserted clause (d) of regulation 7, vide Second amendment (B), 2012

¹⁸ Omitted and inserted clause (1) of regulation 8, vide Third amendment (C), 2015

A distribution licensee or other consumer specified in clause 3 above shall comply with the renewable purchase obligation for any financial year as specified in these regulations, on or before 31st May of the immediate following financial year.

Provided that, any distribution licensee or other consumer specified in clause 3 above, failing to meet the RPO or any part of it for any financial year within the time specified above, shall purchase RECs to the extent of 110% of quantum of shortfall in meeting RPO, by 30th June of that immediate following financial year, failing which he shall be liable for action under Section 142 of the Electricity Act, 2003. Provided further, if a distribution licensee has purchased RECs to meet the RPO specified within the time frame specified above based on provisional data for any year and on finalization of accounts if the RECs purchased are in excess of the RPO specified, then such excess RECs purchased shall be allowed to be accounted for meeting the RPO of the immediate following year.

Provided also that the quarterly data of the RPO compliance after validation shall be hosted on the website of the nodal agency.^f

- (2) ~~C¹⁹ The distribution licensee or other consumer shall utilize the fund so collected for promoting renewable sources of energy or energy conservation measures with the prior approval of the Commission from time to time.~~
- (3) In case of any difficulty arises in complying with the renewable purchase obligation in any year, because of non-availability of renewable energy or REC, the Commission may permit the distribution licensee/other persons specified in Clause (3) above to carry forward the compliance requirement to the next year.

9. Determination of Tariff for electricity from Renewable sources of energy.-

- (1) The Commission may determine at any time the tariff for purchase of electricity from Renewable sources of energy by Distribution Licensees either suo-motu or on an application either by generator or by Distribution Licensee;

Provided that the tariff approved by the Commission including the PPAs deemed to have been approved under subsection (2) of section 27 of the Karnataka Electricity Reforms Act, 1999, prior to the coming into force of these regulations shall continue to apply for such period as mentioned in those PPAs.

Provided further that the Commission shall adopt the tariff which has been arrived at through a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act.

- (2) The Commission shall determine the tariff separately for each category of renewable sources of energy mentioned in clause 2(i).
- (3) The Commission shall be guided by the principles and methodologies, if any, specified by the CERC, National Electricity Policy, and Tariff Policy, while determining tariff for

¹⁹ Deleted clause (2) of regulation 8, vide Third amendment (C), 2015

renewable sources of energy.

- (4) While determining the tariff, the Commission may consider factors affecting the cost of generation including technology, fuel, market risk, environmental benefits and social contribution and other relevant factors relating to each type of renewable sources of energy.

10. Power to amend: The Commission may from time to time add, vary, alter, modify or amend any provisions of these Regulations.

11. Power to call for information: The Commission may call for information or documents as may be necessary from the Distribution Licensees, and other consumers specified in clause 3 above, to monitor the compliance of these Regulations.

12. Power to remove difficulties.- The Commission may at any time either suo-motu or otherwise by order remove any difficulty arising in giving effect to the provisions of these regulations.

13. Repeal & Savings.-

- (1) The KERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulations 2004, along with amendments thereto are hereby repealed.
- (2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including notification, inspection, order or notice made or issued, or any appointment, confirmation or declaration made or any license permission, authorization or exemption granted under the repealed Regulations shall, in so far as it is not inconsistent with the provisions of these Regulations be deemed to have been done or taken under the corresponding clauses of these Regulations.

By Order of the Commission

Secretary

Karnataka Electricity Regulatory Commission