

ODISHA ELECTRICITY REGULATORY COMMISSION

Draft - (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021.

Sl. No.	Description	Summary																																	
1.	Control Period	N.A.																																	
2.	Applicability	<p>These Regulations shall apply to all “Obligated Entities” in the State of Odisha. The Obligated Entities include:</p> <ol style="list-style-type: none"> Distribution licensee (or any other entity procuring power on their behalf). Any person consuming electricity- <ul style="list-style-type: none"> generated from conventional Captive Generating Plant having capacity of 1 MW and above for his own use and/or (not be applicable in case of stand-by (or emergency back-up) captive generating facilities); procured from conventional generation through open access and third party sale 																																	
3.	Purchase Obligation from Renewable Sources	<ul style="list-style-type: none"> Every “Obligated Entity” shall meet its RPO target from its own Renewable Sources or procurement of power from other developers of Renewable Energy Sources or by purchase of Renewable Energy from other licensee or eligible green power from exchanges or by way of purchase of Renewable Energy Certificate (REC). Generation from off-grid RE sources set up by Distribution Licensee/ Mini-Grid Operator (MGO), shall be considered as generation from eligible RE sources only if suitable metering and communication arrangement exists and Distribution Licensee/ Mini-Grid Operator (MGO) communicate details of such generation on monthly basis to State Agency. Power generated from co-firing of biomass in coal based thermal power plants shall be treated as renewable energy and shall be eligible for meeting non-solar Renewable Purchase Obligation (RPO) limited to the quantum of electricity generated from biomass in biomass co-fired coal based thermal power plants. Large hydropower projects including pumped storage projects having capacity of more than 25 MW (LHPs) which came into commercial operation after 8.3.2019 will be considered as renewable energy source. Every Obligated Entity shall at least purchase source wise electricity from Renewable sources to the percentage of its total consumption of electricity from all sources excluding the consumption met from hydro sources of power (State & Central), as indicated in the table below: <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Solar RPO</th> <th colspan="3">Non-Solar RPO</th> <th rowspan="2">Total RPO</th> </tr> <tr> <th>HPO</th> <th>Other Non-Solar RPO</th> <th>Total Non-Solar RPO</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>7.25%</td> <td>0.18%</td> <td>5.82%</td> <td>6.00%</td> <td>13.25%</td> </tr> <tr> <td>2022-23</td> <td>8.00%</td> <td>0.35%</td> <td>6.15%</td> <td>6.50%</td> <td>14.50%</td> </tr> <tr> <td>2023-24</td> <td>8.75%</td> <td>0.66%</td> <td>6.59%</td> <td>7.25%</td> <td>16.00%</td> </tr> <tr> <td>2024-25</td> <td>9.75%</td> <td>1.08%</td> <td>7.17%</td> <td>8.25%</td> <td>18.00%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from hydro sources. HPO benefits shall be met from the power procured from eligible LHPs commissioned on and after 8.3.2019. If the generation from eligible LHPs is insufficient to meet HPO, generation from small hydro commissioned on and after 8.3.2019 would qualify for fulfillment of HPO. In such cases, if small hydro generation exceeds the desired HPO trajectory, the surplus will then be considered under the category ‘Other Non-Solar RPO’. On achievement of Solar RPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess non-solar energy consumed beyond specified Non-Solar RPO for that particular year. 	Year	Solar RPO	Non-Solar RPO			Total RPO	HPO	Other Non-Solar RPO	Total Non-Solar RPO	2021-22	7.25%	0.18%	5.82%	6.00%	13.25%	2022-23	8.00%	0.35%	6.15%	6.50%	14.50%	2023-24	8.75%	0.66%	6.59%	7.25%	16.00%	2024-25	9.75%	1.08%	7.17%	8.25%	18.00%
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		<p>Similarly, on achievement of Other Non-Solar RPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess solar or eligible hydro energy consumed beyond specified Solar RPO or HPO for that particular year. Further, on achievement of HPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess solar or other non-solar energy consumed beyond specified Solar RPO or other Non-Solar RPO for that particular year.</p> <ul style="list-style-type: none"> • For CPPs commissioned before 01.04.2016, RPO should be at the level as mandated by OERC for the year 2015-16, For CPPs commissioned from 01.04.2016 onwards, the RPO level as mandated by OERC or Ministry of Power, whichever is higher, for the year of commissioning of the CPP shall be applicable. • All purchase from the Renewable Energy Sources by the Licensees shall be made at tariffs determined by the Commission from time to time.
4.	Certificates Under the Regulations of the Central Commission	<ol style="list-style-type: none"> 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 as amended from time to time shall be the valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities for purchasing of electricity under RPO. 2. The Commission shall determine the 'Average Power Purchase Cost' of the distribution licensee concerned on annual basis. The Average Power Purchase Cost determined by the commission shall be required to be paid by the distribution licensee (or any entity procuring power on their behalf) when the distribution licensee (or any entity procuring power on their behalf) purchases the electrical component of the Renewable Energy Projects registered under the REC scheme notified by the Central Electricity Regulatory Commission.
5.	State Agency	<ul style="list-style-type: none"> • The Commission shall designate an agency as the State Agency for accreditation and recommending the Renewable Energy Projects for registration and to undertake functions under these Regulations. • The Commission may from time to time fix the remuneration and charges payable to the State Agency by accredited entities and obligated entities for discharge of its functions under these Regulations.
6.	Distribution Licensee(s) and its Functions	<ol style="list-style-type: none"> 1. Each Distribution Licensee (or any entity procuring power on their behalf) shall furnish before the Commission the estimated quantum of purchase from Renewable Energy Sources for the ensuing year in Aggregate Revenue Requirement (ARR) petition in accordance with the Regulations notified by the Commission from time to time. 2. In the event of the actual consumption in the licensed area being different from that approved by the Commission, the RPO shall be deemed to have been modified in accordance with these Regulations. The credit for excess purchase from Renewable Energy Sources would not be adjusted in the ensuing year.
7.	Functions of Captive User(s) and Open Access Consumer(s)	<ol style="list-style-type: none"> 1. Every Captive user(s) and open access consumer(s) shall have to submit necessary details regarding total consumption of electricity and purchase of energy from Renewable Energy Sources for fulfillment of RPO on regular basis to the State Agency. 2. Captive users availing its entire requirement of power from renewable based captive power plants are exempted from applicability of RPO targets and other related conditions as specified in these Regulations. 3. Sale of surplus energy from a Renewable Energy based captive power projects over and above captive consumption will qualify for availing REC as per these Regulations.
8.	Monitoring and Implementation	<ol style="list-style-type: none"> 1. At the end of each quarter, State Agency shall publish RPO compliance status of Obligated Entities on RPO Web-portal. 2. Based on RPO compliance status, State Agency shall compute penalty to be levied to Obligated Entity: <ul style="list-style-type: none"> • Penalty leviable to Distribution Licensee shall be finalised and adjusted in Annual Revenue Requirement. • Penalty payable by Other Obligated Entity shall be levied by the State Agency with 15 days' time as due date of payment which shall be deposited in RPO Fund.

		<p>3. Non-payment of penalty or non-submission of required details in a timely manner by Obligated Entity shall be treated as non-compliance of Regulations and State Agency shall recommend the Commission to initiate action against such Entity under Section 142 of the Act.</p>
9.	Consequences of Default	<ol style="list-style-type: none"> 1. In the event of the Obligated Entities not being able to fulfill the RPO as provided in these regulations during any year and also does not purchase the certificates, the obligated entity to deposit a penalty as calculated by State Agency into a separate fund, to be created and maintained by such State Agency. 2. The amount of penalty shall be calculated by State Agency on the basis of the shortfall in units of RPO and the forbearance price decided by the Central Commission. 3. Fund so created shall be utilized, as may be directed by the Commission, partly for purchase of the certificates and partly for development of transmission infrastructure for evacuation of power from generating stations based on Renewable Energy Sources or any other expenses relating to development of Renewable Energy Sources. 4. The State Agency as well as obligated entities shall not be authorized to use the fund created in pursuance of the above in any manner, without prior approval of the Commission. 5. The unmet capacity of RPO shall not be allowed to carry forward by obligated entities from one financial year to another unless there is genuine difficulty.
10.	Connectivity with the Grid	<ol style="list-style-type: none"> 1. Any person generating electricity from Renewable Energy Sources, irrespective of installed capacity, shall have open access to any Licensee's transmission system and/or distribution system as the case may be. 2. The licensees shall be responsible for development of evacuation infrastructure beyond the inter-connection point while the developer/generating company will have to develop evacuation infrastructure from generating facility up to the inter connection point at its own expense: 3. In case of Renewable Energy Sources having installed capacity of less than 1 MW the developer shall provide evacuation infrastructure upto the interconnection point. 4. Roof-top Solar PV sources shall be allowed connectivity at LV or MV or at 11 KV of the distribution system of the licensee as considered technically and financially suitable by the licensee and the developer: 5. The Commission shall time to time issue specific order on such connections and commercial arrangement. 6. Communication system, if required by SLDC, between grid sub-station and generating station shall be developed by the developer (s) at its own cost. 7. Wherever Renewable Energy Sources have already been connected to the State Grid at a voltage level lower than the voltage level specified in these Regulations and wherever such State Grid connection causes any bottleneck in capacity addition or causes avoidable discontinuance of generation or low voltage during peak hours or frequent outage of line or sufficient redundancy, such grid connection shall be converted into suitable voltage level and cost for such conversion shall be borne by the developer.
11.	Cross-Subsidy	<ol style="list-style-type: none"> 1. Procurement of power through Third Party Sale from Renewable Energy Sources shall be exempted from the cross subsidy surcharge determined by the Commission from time to time. However, no banking facility shall be provided for supply (third party sale) from Renewable Energy Sources through open access. Further, interface metering system capable of energy accounting for each time block of 15 minutes shall be provided at both supply as well as drawal point. 2. For third party sale, energy generation from Renewable Energy Sources in each 15 minute time block shall be set off against the captive/ open access user(s) consumption in the same 15 minute time block.