
**DRAFT DELHI ELECTRICITY REGULATORY COMMISSION
(RENEWABLE PURCHASE OBLIGATION AND RENEWABLE ENERGY CERTIFICATE
FRAMEWORK IMPLEMENTATION) REGULATIONS, 2018**

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NOTIFICATION

New Delhi,....., 2018

DELHI ELECTRICITY REGULATORY COMMISSION (RENEWABLE PURCHASE OBLIGATION AND RENEWABLE ENERGY CERTIFICATE FRAMEWORK IMPLEMENTATION) REGULATIONS, 2018

No. In exercise of powers conferred under Section 181 read with Sections 66 and 86(1)(e) of the Electricity Act, 2003, the Delhi Electricity Regulatory Commission after previous publication hereby makes the following Regulations for the Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation:

PART 1
PRELIMINARY

1. SHORT TITLE, COMMENCEMENT AND EXTENT

- (1) These Regulations may be called the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2018.
- (2) These Regulations shall come into force from the date of their publication in the Delhi Gazette.
- (3) These Regulations shall extend to whole of the State.
- (4) These Regulations shall apply to all the obligated entities including:
 - (i) Distribution Licensee operating in the State;
 - (ii) Any Captive user who consumes electricity generated from captive generating plant to the extent of its consumption met through such captive sources;
 - (iii) Any Open Access Consumer who consumes electricity under open access to the extent of its consumption met through Open Access purchase.

2. Definitions

In these regulations, unless the context otherwise requires,

- (1) "Accredited Entities" means entities engaged in generation of electricity from renewable energy sources registered under 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, for issuance of

- Renewable Energy certificates;
- (2) "Act" means the Electricity Act, 2003 (Act No. 36 of 2003) and subsequent amendment(s) thereof;
 - (3) "Area of Supply" means the area within which a Distribution Licensee is authorized by his Licence to supply electricity;
 - (4) "Captive Generating Plant" shall have the same meaning as defined in the Act read with the Electricity Rules 2005 as amended from time to time;
 - (5) "Captive user" shall mean the end user of electricity generated in a Captive Generating Plant and the term captive use shall be construed accordingly;
 - (6) "Central Agency" means the agency, as the Central Commission may designate from time to time, under 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;
 - (7) "Central Commission" means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
 - (8) "Certificate" means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the procedures prescribed 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;
 - (9) "Commission" means the Delhi Electricity Regulatory Commission as referred in subsection (1) of section 82 of the Act;
 - (10) "Distribution Licensee" means a Licensee authorised to operate and maintain a Distribution system for supplying electricity to the consumers in his area of supply ;
 - (11) "Inter-connection point" shall mean the interface point of the Renewable Energy Project with the transmission system or distribution system as the case may be;
 - (12) "Floor price" shall have the same meaning as defined 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;
 - (13) "Forbearance Price" shall have the same meaning as defined 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;
- (14) “MNRE” means the Ministry of New and Renewable Energy, Government of India;
- (15) “Obligated Entity” means the distribution licensee, Captive user, Open Access Consumer or any other entity in the National Capital Territory of Delhi, which is mandated to fulfill Renewable Purchase Obligation as may be notified by the Commission from time to time;
- (16) “Open access consumer” means a consumer permitted to receive supply of electricity from a person, other than distribution licensee of his area of supply, as per DERC (Terms and Conditions for Open Access) Regulations, 2005 as amended from time to time and the applicable Orders issued under the Open Access Regulations;
- (17) “Person” shall have the same meaning as defined under sub section (49) of Section 2 of the Act;
- (18) "Power Exchange" means power exchange which operates with the approval of the Central Commission;
- (19) “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 source(s) recognized by Ministry of New and Renewable Energy (MNRE) or any other agency as notified by Government of India or the Commission;
- (20) “Renewable Purchase Obligation (RPO)” means the requirement as specified by the Commission from time to time under clause (e) of sub-section (1) of section 86 of the Act for the obligated entity;
- (21) “State Nodal Agency” means the Energy Efficiency & Renewable Energy Management Centre (EERM&C) or the agency so designated by the Commission under Regulation 5 of these Regulations to act as the agency to undertake the functions as specified in these regulations in the National Capital Territory of Delhi;
- (22) “State” means the National Capital Territory of Delhi.
- (23) “Tariff” means the tariff fixed by the Commission as per relevant regulations for generation from various renewable energy sources under Section 62 or adopted under Section 63 of the Act;
- (24) “Year” means a financial year.

3. Interpretations

- (1) These Regulations shall be interpreted and implemented in a manner not inconsistent with the provisions of the Act, Rules and Regulations made thereunder.
- (2) Unless the context otherwise requires, the words or expressions used in these Regulations and not defined herein but defined in the Act or the regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act or such regulations issued by the Commission.

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PART 2
GENERAL

4. Renewable Purchase Obligation

- (1) Annual target for Renewable Purchase Obligation required to be met by the Distribution Licensee shall be specified by the Commission in the relevant DERC (Business Plan) Regulations.
- (2) Annual target for Renewable Purchase Obligation required to be met by obligated entities other than the Distribution Licensee shall be notified by the Commission through separate Order (s) respectively from time to time.
- (3) The quantum of renewable energy purchase towards compliance of Renewable Purchase Obligation (RPO) shall be the aggregate of all gross purchase from generating station(s) based on renewable energy sources by the Obligated Entities:

Provided that power purchase from generating station(s) based on renewable energy sources registered for issuance of renewable energy certificate under 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 not qualify for RPO of the obligated entities.

- (4) The quantum of electricity generated by the renewable energy generator under DERC(Net Metering for Renewable Energy) Regulations, 2014 as amended from time to time or any under Regulations notified under Delhi Solar Policy, 2016 shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee of the area:

Provided that if Renewable Energy Generator under DERC (Net Metering for Renewable Energy) Regulations, 2014 is an obligated entity, the quantum of surplus electricity generated after Renewable Purchase Obligation (RPO) compliance of such obligated entity, shall qualify towards RPO compliance of Distribution Licensee.

- (5) The Distribution licensees shall procure 100% power generated from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own as approved by the Commission from time to time.
- (6) The renewable energy procured by the obligated entity from renewable energy generating stations bundled with coal/lignite based thermal generation shall be

considered towards compliance of Renewable Purchase Obligation to the extent of power procured from such renewable energy generating station.

- (7) Every obligated entity shall meet its RPO target either by way of its own generation or by way of purchase of renewable energy or by way of purchase of Renewable Energy Certificate(s) or by way of combination of any of the above options.
- (8) The distribution licensee shall submit its quarterly progress report on the capacity addition, generation and purchase of electricity from renewable energy sources and also upload the progress report on its website.
- (9) Notwithstanding anything contained above, the obligated entity may purchase REC for any shortfall in meeting their RPO Targets for any financial year within three months or three trading session from the date of completion of relevant financial year whichever is later:

Provided that in case the obligated entity procures excess renewable power over and above its RPO target in any year, the obligated entity shall be allowed to set off in following order:

- (i) against past accumulated shortfall in RPO compliance, if any,
- (ii) carry forward excess quantum of renewable power after set off against past accumulated shortfall in RPO compliance upto three succeeding years and shall be set off against the quantum of Renewable Purchase Obligation of such succeeding year(s).

5. State Nodal Agency

- (1) The State Nodal Agency shall discharge the following functions, namely:-
 - (a) accreditation and recommendation of the renewable energy projects for registration under REC mechanism and shall act in accordance 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 as amended from time to time;
 - (b) develop suitable protocol for collection of information from various sources such as renewable energy generating companies, obligated entities, SLDC or any other agency on regular basis and compile such information to compute the compliance of RPO target by obligated entities;

- (c) publish monthly statement of renewable energy procurement and RPO compliance by different obligated entities on a cumulative basis by 10th day of the next month on its website;
- (d) submit quarterly progress report in respect of compliance of renewable purchase obligation by the obligated entities in the prescribed format at Annexure I of these regulation to the Commission and upload on its website by 30th day of the next month.
- (e) discharge any other function as may be assigned by the Commission from time to time.

- (2) The State Nodal Agency shall function in accordance with the directions issued by the Commission from time to time.
- (3) The Commission may specify qualifying criteria based on technical and financial capability of an agency to be designated as State Nodal Agency.
- (4) The Commission may fix the remuneration and charges payable to the State Nodal Agency for discharge of its functions and the same shall be recovered from the accredited entities and the obligated entities.

6. Open Access Consumer(s) :

- (1) Any Open Access consumer who intends to purchase or is purchasing electricity under open access arrangement from sources other than renewable energy source shall submit the projections regarding total consumption of electricity and purchase of energy from renewable sources for fulfillment of RPO of the relevant financial year at the time of submission of application to the nodal agency for open access:

Provided that the existing open access consumer on the date of applicability of these Regulations shall submit the projections for the relevant financial year within 15 days of the applicability of these Regulations:

Provided further that if the open access consumer is under open access on 1st April of Financial Year, the Open Access consumer shall submit the projections for the relevant financial year by 31st day of the preceding Financial Year.

- (2) The distribution licensee shall take into account the projections submitted by the open access consumer for the purpose of computation of the value of FDR/ Bank Guarantee for the relevant financial year as prescribed by the commission in the Order and

intimate the value of Bank Guarantee or Fixed Deposit Receipt (FDR) to the open access consumer by the time of conveying its initial consent to nodal agency for open access:

Provided that for existing open access consumer on the date of applicability of these Regulations, the value of Bank Guarantee or Fixed Deposit Receipt (FDR) shall be intimated to the open access consumer within 7 days of receipt of projections from the open access consumer:

Provided further that if the open access consumer is under open access on 1st April of Financial Year, the value of Bank Guarantee or Fixed Deposit Receipt (FDR) shall be intimated to the open access consumer within 7 days of receipt of projections from the open access consumer.

(3) The Open Access consumer shall submit Bank Guarantee or Fixed Deposit Receipt (FDR) before issuance of compliance report for completion of metering formalities:

Provided that existing open access consumer on the date of applicability of these Regulations shall submit the Bank Guarantee or Fixed Deposit Receipt (FDR) within 7 days of receipt of intimation of value of Bank Guarantee or Fixed Deposit Receipt (FDR):

Provided further that if the open access consumer is under open access on 1st April of Financial Year, the Open Access consumer shall submit the separate Bank Guarantee or Fixed Deposit Receipt (FDR) for the relevant financial year by 30th April of the relevant Financial Year:

(4) The Bank Guarantee or Fixed Deposit Receipt (FDR) shall be valid upto three months or three trading session from the date of completion of relevant financial year whichever is later.

(5) The Open Access Consumer shall submit the details of the RPO compliance for reconciliation to the distribution licensee of its area within two months or two trading session from the date of completion of relevant financial year whichever is later.

(6) The distribution licensee shall reconcile the RPO compliance of the open access consumer based upon the information submitted by the open access consumer within 30 days of receipt of such information.

(7) In case of part fulfillment or non- fulfillment of RPO compliance of the open access consumer, the distribution licensee shall encash Bank Guarantee or Fixed Deposit

Receipt (FDR) for the amount equal to shortfall units towards compliance of RPO target:

Provided that in case the value of Bank Guarantee or Fixed Deposit Receipt (FDR) is more than the amount required to purchase REC by the distribution licensee for shortfall unit towards compliance of RPO target, the distribution licensee shall release the balance amount of Bank Guarantee or Fixed Deposit Receipt (FDR):

Provided further that in case the value of Bank Guarantee or Fixed Deposit Receipt (FDR) is less than the amount required to purchase REC by the distribution licensee for shortfall unit towards compliance of RPO target, the distribution licensee shall include the balance amount in subsequent bill.

- (8) In case of fulfillment of RPO compliance of the open access consumer, the distribution licensee shall release the Bank Guarantee or Fixed Deposit Receipt (FDR), within 7 days of reconciliation of RPO compliance:

Provided that if the distribution licensee fails to release Bank Guarantee or Fixed Deposit Receipt (FDR), an interest at the rate of 1.0% per month shall be payable by distribution licensee for delayed period on the amount of Bank Guarantee or Fixed Deposit Receipt (FDR) to be released.

- (9) The distribution licensee shall purchase renewable energy certificate from the amount realised on encashment of Bank Guarantee or Fixed Deposit Receipt (FDR) and the balance amount realised through bill of Open Access consumer.

7. Captive User(s)

- (1) Any Captive user who consumes electricity generated from captive generating plant to the extent of its consumption met through such captive sources other than renewable energy source shall submit the projections regarding total consumption of electricity and purchase of energy from renewable sources for the relevant financial year for fulfillment of RPO of the relevant year by 31st March of the preceding financial year:

Provided that existing captive user on the date of applicability of these Regulations shall submit the projections for the relevant financial year within 15 days of the applicability of these Regulations:

Provided further that the applicant who declares the captive use during a

financial year shall submit the projections within 15 days of the declaration of captive user.

(2) The distribution licensee shall take into account the projections submitted by the Captive Users for the purpose of computation of the value of Bank Guarantee or Fixed Deposit Receipt (FDR) for the relevant financial year as prescribed by the commission in the Order and intimate the value of Bank Guarantee or Fixed Deposit Receipt (FDR) to the Captive User within 7 days of receipt of such information.

(3) The Captive User shall submit Bank Guarantee or Fixed Deposit Receipt (FDR) by 30th April of the Financial Year to the distribution licensee of its area:

Provided that the captive user on the date of applicability of these Regulations or who declares the captive use during a financial year, shall submit Bank Guarantee or Fixed Deposit Receipt (FDR) within 7 days of receipt of intimation of value of Bank Guarantee or Fixed Deposit Receipt (FDR).

(4) The Bank Guarantee or Fixed Deposit Receipt (FDR) shall be valid upto three months or three trading session from the date of completion of relevant financial year whichever is later.

(5) The Captive User shall submit the details of the RPO compliance for reconciliation to the distribution licensee of its area within two months or two trading session from the date of completion of relevant financial year whichever is later.

(6) The distribution licensee shall reconcile the RPO compliance of the Captive User based upon the information submitted by the Captive User within 30 days of receipt of such information.

(7) In case of part fulfillment or non- fulfillment of RPO compliance of the Captive User, the distribution licensee shall encash Bank Guarantee or Fixed Deposit Receipt (FDR) for the amount equal to shortfall units towards compliance of RPO target.

Provided that in case the value of Bank Guarantee or Fixed Deposit Receipt (FDR) is more than the amount required to purchase REC by the distribution licensee for shortfall unit towards compliance of RPO target, the distribution licensee shall release the balance amount of Bank Guarantee or Fixed Deposit Receipt (FDR):

Provided further that in case the value of Bank Guarantee or Fixed Deposit

Receipt (FDR) is less than the amount required to purchase REC by the distribution licensee for shortfall unit towards compliance of RPO target, the distribution licensee shall include the balance amount in subsequent bill, if any.

(8) In case of fulfillment of RPO compliance of the Captive User, the distribution licensee shall release the Bank Guarantee or Fixed Deposit Receipt (FDR) within 7 days of reconciliation of RPO compliance:

Provided that if the distribution licensee fails to release Bank Guarantee or Fixed Deposit Receipt (FDR), an interest at the rate of 1.0% per month shall be payable by distribution licensee for delayed period on the amount of Bank Guarantee or Fixed Deposit Receipt (FDR) to be released.

(9) The distribution licensee shall purchase renewable energy certificate from the amount realised on encashment of Bank Guarantee or Fixed Deposit Receipt (FDR) and the balance amount realised through bill of Captive User.

8. Distribution Licensee (s)

(1) The cost incurred by the distribution licensee to meet its RPO target shall be allowed to be recovered in Annual Revenue Requirement (ARR) as per the provisions of the applicable Regulation:

Provided that the Commission may allow the distribution licensee to recover the cost of REC at the floor price for the quantum of renewable energy incurred towards compliance of RPO target by way of levy of RPO surcharge as may be determined by the Commission in its respective applicable Tariff Order(s) from the consumers.

(2) The distribution licensee shall purchase renewable energy certificate from the amount realised on encashment of Bank Guarantee or Fixed Deposit Receipt (FDR) and the balance amount realised through bill of Open Access consumer or of Captive User.

Provided that the distribution licensee may set off the RPO compliance of shortfall units of the Open access consumer or Captive user with the surplus renewable energy, if any, after its own RPO compliance in relevant year by the distribution licensee instead of purchasing REC.

(3) Distribution Licensee shall submit necessary details regarding total sales of electricity to the consumers in its area and purchase of energy from renewable sources for fulfillment

of RPO on annual basis within three months or three trading session from the date of completion of relevant financial year whichever is later to the State Nodal Agency.

- (4) Non compliance of RPO by the distribution licensee shall attract a penalty as specified by the Commission in relevant Business Plan Regulations to the extent of shortfall units towards compliance of RPO target.

9. Renewable Energy Pricing

- (1) A renewable energy project shall have an option of adopting either the tariff pricing structure or the REC mechanism for pricing of the electricity generated from the project.
- (2) The projects opting for tariff under sub Regulation (1), above, shall have to continue with the same tariff pricing structure till the period of validity of Power Purchase Agreement.
- (3) Renewable energy project shall exercise its choice for selection of appropriate pricing mechanism prior to execution of the Power Purchase Agreement with the distribution licensee or with open access consumer, as the case may be.

PART 3
MISCELLANEOUS

10. Power to Relax: The Commission may, in public interest and for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by a person.

11. Power to Amend: The Commission may from time to time add, vary, alter, suspend, modify, amend or repeal any provision of these regulations.

12. Power to Remove Difficulties:

(1) In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may by any general or special order, issue appropriate directions to any obligated entity or generating company, to take suitable action, not inconsistent with the provisions of the Act, which appears to be necessary or expedient for the purpose of removing the difficulty.

(2) Any generating company, distribution licensee, captive user, open access consumer may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

13. Repeal and Savings:

(1) Save as otherwise provided in these regulations, the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 shall stand repealed from the date of commencement of these regulations.

(2) Notwithstanding such repeal, anything done or purported to have been done under the repealed regulations shall be deemed to have been done or purported to have been done under these regulations.

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

(4) 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 of 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.

- (5) Nothing in these Regulations shall, expressly or impliedly, bar the Commission in 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.

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