

**DRAFT DELHI ELECTRICITY REGULATORY COMMISSION  
(RENEWABLE PURCHASE OBLIGATION AND RENEWABLE ENERGY CERTIFICATE  
FRAMEWORK IMPLEMENTATION) REGULATIONS, 2020**



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**Delhi, 19/10/2020**

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F.3(600/Tariff-Fin./DERC/2019-20/6705 - In exercise of powers conferred under Section 181 read with Sections 61(h), 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 (RPO) and Renewable Energy Certificate (REC) Framework Implementation in the National Capital Territory of Delhi.

**PART 1**  
**PRELIMINARY**

**1. SHORT TITLE, COMMENCEMENT AND EXTENT**

- (1) These Regulations shall be called the *Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020*.
- (2) These Regulations shall come into force from the date of notification:  
Provided that for the period from 01/04/2017 to 31/03/2020, the RPO targets for Long Term Open Access (LTOA) and Medium Term Open Access (MTOA) Consumers shall be same as the target of FY 2016-17 as specified in *Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012*:  
Provided further that the compliance of cumulative targets for the above mentioned intervening period for LTOA/MTOA shall be met by such entities within two years from the date of notification of these Regulations.
- (3) These Regulations shall extend to whole of National Capital Territory of Delhi.
- (4) These Regulations shall apply to the following obligated entities in the National Capital Territory of Delhi:
  - (i) Distribution Licensees;
  - (ii) Any Captive user, using other than Renewable Energy Sources exceeding 1 MW;

and

- (iii) Any Open Access Consumer having contract demand exceeding 1 MW and sourcing power from other than Renewable Sources of Energy.

## **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(s) within which the Distribution Licensee is authorized 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 (CERC) 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 (DERC) as referred in subsection (1) of Section 82 of the Act;

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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- (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 exchange registered under CERC (Power Market) Regulations, 2010 and amendments thereof;
- (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/or 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 under

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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these Regulations as per Section 86(1)(e) of the Act for the Obligated Entity to purchase electricity from Renewable Energy Sources;

- (21) “State Nodal Agency” means the Energy Efficiency & Renewable Energy Management Centre (EERM&C) or the agency so designated by the Commission under Regulation 6 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 – 1<sup>st</sup> April to 31<sup>st</sup> March.

**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.

**PART 2**  
**GENERAL**

**4. RENEWABLE PURCHASE OBLIGATION (RPO)**

- (1) Every Obligated Entity shall purchase electricity from Renewable Energy Sources for fulfilment of a defined minimum percentage of the total consumption during the year, under the Renewable Purchase Obligation, as specified below –

**Table 1: RPO Targets for Obligated Entities**

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23
1.	Non-Solar Target	10.25%	10.25%	10.50%
2.	Solar Target	7.25%	8.75%	10.50%
	Total	17.50%	19.00%	21.00%

Provided further that the targets specified for Obligated Entities for FY 2022-23 shall be continued beyond FY 2022-23 unless specified by the Commission separately.

- (2) The Obligated Entity shall comply with its RPO targets separately for Solar & Non-Solar, excluding consumption met from hydro other than small hydro sources of power, through procurement of Solar energy and Non-Solar energy:

Provided that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from Renewable Energy Sources already being made by the obligated entity concerned:

Provided further that on achievement of Solar RPO compliance as specified in aforesaid sub Regulation (2) to the extent of 85% and above, remaining shortfall if any, can be met by excess Non-Solar energy/Non-Solar REC purchased beyond non-Solar RPO for that particular year:

Provided further that on achievement of Non-Solar RPO compliance as specified in aforesaid sub-Regulation (2) to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar energy/Solar REC purchased beyond Solar RPO for that particular year:

Provided also that the Obligated Entities may purchase power from various Renewable Energy sources or RECs or combination of both for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year.

**5. OTHER CONDITIONS FOR COMPLIANCE**

- (1) The power purchase from generating station(s) based on Renewable Energy Sources

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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registered for issuance of REC under *CERC (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:

Provided that for power purchase from RE generator, the Obligated Entities will submit an under-taking to State Nodal Agency that renewable component of this power has not been claimed by the RE generators for issuance of REC under *CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010* as amended from time to time.

- (2) The quantum of electricity generated by Net Metering consumers other than Obligated Entity eligible under *DERC (Net Metering for Renewable Energy) Regulations, 2014* as amended from time to time or under Delhi Solar Policy, 2016 as amended from time to time shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the Distribution Licensee of the area.
- (3) 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, or as approved by the Commission from time to time.
- (4) The renewable energy procured by the Obligated Entity from renewable energy generating stations bundled with coal/lignite generating stations shall be considered towards compliance of RPO to the extent of power procured from such renewable energy generating station.
- (5) The Distribution Licensee shall submit its quarterly progress report to the Commission along with RPO compliance status of Open Access Consumers & Captive Users on the capacity addition, generation and purchase of electricity from Renewable Energy Sources & purchase of RECs and also upload the progress report on its website.

**6. STATE NODAL AGENCY**

- (1) The State Nodal Agency (SNA) 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*

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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*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, State Load Despatch Centre (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 25<sup>th</sup> 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 by 25<sup>th</sup> day of the next month. State Nodal Agency shall develop formats and get approved by the Commission within one month of issuance of these Regulations.
  - (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 other than Distribution Licensees.
  - (5) If the Commission is satisfied that the State Nodal Agency is not able to discharge its functions satisfactorily, it may by an Order, and after recording reasons in writing, designate another agency to function as State Nodal Agency, as it considers appropriate.

**7. OPEN ACCESS CONSUMER(S):**

- (1) Open Access Consumer receiving electricity from Renewable Energy sources shall be exempted from the Wheeling, Transmission, Cross Subsidy Surcharge and Additional Surcharge to the extent of quantum of RPO compliance:

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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Provided that the generators using Renewable Energy Sources shall provide certificate to Obligated Entities that no REC/ RPO claim for this power has been made.

- (2) Every Open Access Consumer shall submit necessary details to Distribution Licensee regarding total consumption of electricity and purchase of energy from Renewable Sources for fulfilment of RPO on yearly basis within 15 days from the date of notification of these Regulations:

Provided that an existing Open Access Consumer as on 1<sup>st</sup> April of a Financial Year, shall submit the projections for the relevant financial year by 31<sup>st</sup> March of the preceding Financial Year.

- (3) The Distribution Licensee shall take into account the projections submitted by the Open Access Consumer for the purpose of computation of the value of Bank Guarantee (BG) or Fixed Deposit Receipt (FDR) for the relevant financial year:

Provided that the value of BG /FDR shall be the average of Floor and Forbearance price of respective sources based on the past three months:

Provided further that the value of Bank Guarantee or Fixed Deposit Receipt shall be intimated to the Open Access Consumer within 7 days of receipt of projections from the Open Access Consumer.

- (4) The Open Access Consumer shall submit Bank Guarantee or Fixed Deposit Receipt (FDR) to Distribution Licensees 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 1<sup>st</sup> 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 30<sup>th</sup> April of the relevant Financial Year:

- (5) The Bank Guarantee or Fixed Deposit Receipt (FDR) shall be valid upto three months from the date of completion of relevant financial year.
- (6) The Open Access Consumer shall submit the details of the RPO compliance for

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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reconciliation to the Distribution Licensee of its area within two (2) months from the date of completion of relevant financial year.

- (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 RECs within 30 days of receipt of reconciled statements from Open Access Consumers from the amount realised on encashment of Bank Guarantee or Fixed Deposit Receipt (FDR) and the balance amount, if any, realised through bill of Open Access Consumer.

**8. CAPTIVE USER(S)**

- (1) Every Captive User shall submit necessary details regarding total consumption of electricity from captive generating and purchase of energy from Renewable Sources for fulfilment of RPO on yearly basis within 15 days from the date of notification of these Regulations:

Provided that the applicant who declares the captive use during a financial year shall

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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submit the projections within 15 days of the declaration of captive user.

Provided further that existing Captive User as on 1<sup>st</sup> April of a Financial Year, shall submit the projections for the relevant financial year by 31<sup>st</sup> March of the preceding Financial Year.

- (2) The Distribution Licensee shall take into account the projections submitted by the Captive User for the purpose of computation of the value of Bank Guarantee (BG) or Fixed Deposit Receipt (FDR) for the relevant financial year:

Provided that the value of BG /FDR shall be the average of Floor and Forbearance price of respective sources based on the past three months:

Provided further that the value of Bank Guarantee or Fixed Deposit Receipt shall be intimated to the Captive User within 7 days of receipt of projections from the Captive User.

- (3) The Captive User shall submit Bank Guarantee or Fixed Deposit Receipt (FDR) by 30<sup>th</sup> April of the relevant 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 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):

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

- (5) The Captive User shall submit the details of the RPO compliance for reconciliation to the Distribution Licensee of its area within two (2) months from the date of completion of relevant financial year.

- (6) 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

**Draft Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2020**

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(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.

- (7) 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.

- (8) The Distribution Licensee shall purchase RECs within 30 days of receipt of reconciled statements from Captive Users from the amount realised on encashment of Bank Guarantee or Fixed Deposit Receipt (FDR) and the balance amount, if any, realised through bill of Captive Users.

**9. DISTRIBUTION LICENSEE(S)**

- (1) The cost incurred by the Distribution Licensee to meet its RPO target shall be allowed to be recovered in Aggregate Revenue Requirement (ARR) as per the provisions of the applicable Regulations:

Provided that for shortfall of units to meet RPO target, after physical procurement of power, the Distribution Licensees may be allowed REC cost at Floor price. However, if Floor price is zero, the REC cost may be allowed at average of the Floor price and Forbearance price, as determined by CERC, for such shortfall of units which shall be trued up subsequently.

- (2) Distribution Licensees 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 from the date of completion of relevant financial year to the State Nodal Agency and the Commission.
- (3) Distribution Licensee shall also 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, compliance of RPO through BG/FDR etc. w.r.t. other Obligated Entities in their respective area of supply, on annual basis within three

months from the date of completion of relevant financial year to the State Nodal Agency and the Commission.

- (4) Non-compliance of RPO by the Distribution Licensee shall attract a penalty as specified by the Commission in the relevant Business Plan Regulations.

**10. TREATMENT OF SURPLUS/SHORTFALL FOR RPO COMPLIANCE**

- (1) In case the Obligated Entity procures excess renewable power over and above its RPO target in any year, then such surplus power shall be carried forward in meeting its relevant RPO target of subsequent year.
- (2) In case of genuine difficulty in complying with the targets Renewable Purchase Obligation because of non-availability of RECs or delay in COD of tied up Renewable Power Plants etc., the Obligated Entity shall file Petition before the Commission for carry forward of RPO compliance in subsequent year(s).

**11. 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**

- 12. 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.
- 13. Power to Amend:** The Commission may from time to time add, vary, alter, suspend, modify, amend or repeal any provision of these Regulations.
- 14. 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 Accredited and Obligated Entity may make an application to the Commission and seek suitable Orders to remove any difficulties that may arise in implementation of these Regulations.
- 15. 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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