

**PUNJAB STATE POWER CORPORATION LIMITED**



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To

Registrar,  
Punjab State Electricity Regulatory Commission,  
Site No.3, Block-B, Sector 18-A,  
Madhya Marg, Chandigarh

Memo. No. 390/ARR/ Dy.CAO/265/Deficiencies dated 24.03.2023.

**Subject: *Petition no. 74 of 2022 for True up of FY 2021-22, APR of FY 2022-23 and ARR for 3<sup>rd</sup> Control Period (FY 2023-24 to FY 2025-26).***

**Ref: Hon'ble PSERC letter bearing no 2322/PSERC/RE-289/ dated 18.11.2022 and order dated 21.12.2022 in Petition No 74 of 2022.**

In continuation of this office memo no 768/ARR/Dy.CAO/265/Deficiencies dated 30.12.2022, enclosed please find herewith the proposal regarding Tariffs for green energy under Green Energy Open Access Rules, 2022.

This is for your information, please.

  
**Er.-In-Chief/ARR & TR  
PSPCL, Patiala**

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## 1. TARIFF PROPOSAL FOR GREEN ENERGY

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### 1.1 Preamble

PSPCL has filed Tariff Petition for true up of FY 2021-22, annual performance review of FY 2022-23 and determination of ARR for 3<sup>rd</sup> Control Period from FY 2023-24 to FY 2025-26 on 30<sup>th</sup> November 2022 before the Hon'ble PSERC. Further, the Hon'ble Commission, vide order dated 21.12.2022, in addition to other queries has asked PSPCL to submit a tariff proposal for supply of green energy to the obligated entities on requisition under Rule 4(2)(C)(c) of the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 notified by Ministry of Power, Government of India.

Ministry of Power, Govt. of India (GoI), vide notification dated 06.06.2022 has notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 stipulating norms for grant of Open Access for consumption of green energy. Further, the rules provide an option to any consumer who has contracted demand or sanctioned load of 100 kW or more to consume RE power by purchasing it from DISCOM at a green tariff decided by respective State Commission in accordance with clause 4(2)(C)(c) of the Rules. The relevant extract of the Rules is read as under:

**"4. Renewable Purchase Obligation – (1) On and from the date of commencement of these rules, there shall be an uniform renewable purchase obligation, on all obligated entities in area of a distribution licensee.**

*(2) Any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods:-*

*(A) Own Generation from renewable energy sources.–.....*

*(B) By procuring Renewable Energy through Open Access.....*

*(C) By requisition from distribution licensee. -*

*a) Any entity may elect to purchase green energy either upto a certain percentage of the consumption or its entire consumption and they*

may place a requisition for this with their distribution licensee, which shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for solar and non-solar;

b) The consumer may purchase on a voluntary basis, more renewable energy, than he is obligated to do and for ease of implementation, this may be in steps of Twenty five per cent and going upto Hundred per cent;

c) **The tariff for the green energy shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;**

d) Any requisition for green energy from a distribution licensee shall be for a minimum period of one year;

e) The quantum of green energy shall be pre-specified for at least one year;

f) The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee;

g) The Accounting of renewable energy supplied at distribution licensee level shall be on a monthly basis;

(D) By consuming green energy from captive power plant.

(E) By purchasing of renewable energy certificates in accordance with the applicable regulations.

(F) Purchase of green hydrogen or green ammonia;.....

(G) Any other sources, as may be, determined by the Central Government.

Thus, in terms of provisions of, said rules, an obligated entity (consumer) has an option to meet its RPO obligation through purchase of RE power from DISCOM, for which separate tariff shall be determined by Hon'ble Commission in accordance with Clause 4(2)(C)(c). For such supply of green energy by DISCOM, the energy accounting is to be carried out on monthly basis.

## **1.2 Proposal for Green Tariff**

In view of the communication received from the Hon'ble Commission vide order dated 21.12.2022, PSPCL is submitting its green tariff proposal as an additional data gap to the Tariff Petition for FY 2023-24, as under:

As per Clause 4(2)(C)(c) of the Rules, the component for green tariff shall include average pooled power purchase cost of renewable energy, cross-subsidy charges and service charges covering prudent cost of distribution licensee for providing green energy.

Since, PSPCL will be providing such green energy to its consumer from the tied up sources, its RPO obligation to that extent will get reduced. To cover up the shortfall in its RPO obligation, PSPCL will have to resort to purchase of Renewable Energy Certificates (REC).

It is submitted that the cost of REC traded in the Indian Energy Exchange (IEX) varied from Rs. 1/unit to Rs. 2:30/unit for Solar REC and was Rs. 1/unit for Non-Solar REC during the year 2022 up to November. From December 2022 onwards, as per the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, RECs are traded without bifurcation into solar and non-solar certificates. The market price of RECs (solar and non-solar) discovered from December 2022 till February 2023 is Rs. 1/unit + applicable taxes.

Thus, the premium of Rs 1.15 per unit may be recovered from the consumers who opts for Green Energy. In addition to this, the administrative cost at the rate of 10 percent of the premium may be charged for procuring, billing and accounting of such power.

S. No.	Particulars	Solar & Non Solar
1	Prevailing Market Price of RECs including taxes	1.15
2	Administrative cost @ 10% of Sr No 1	0.12
3	<b>Green energy premium</b>	1.27

In view of above, it is proposed that "green energy tariff" may be charged from the consumers who opt for green energy at the rate of Rs. 1.27/unit for Solar as well as non-Solar energy, over and above the normal tariff applicable for the respective consumer category to which such consumer belongs.

In view of above, the Hon'ble Commission is requested to approve Green Energy Tariff in terms of the above proposal for FY 2023-24.