

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A, MADHYA MARG, CHANDIGARH

Petition No. 42 of 2024
Date of Order: 21.11.2024

Petition under Section 86 (1)(e) of the Electricity Act, 2003 read with Regulations, 8, 10 and 12 of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2022, for carrying forward of surplus Renewable Purchase Obligation (RPO) of FY 2022-23 and 2023-24 to FY 2024-25.

In the matter of: Punjab State Power Corporation Limited (**PSPCL**), the
Mall Patiala 147001.

.....Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson

Sh. Paramjeet Singh, Member

PSPCL: Sh. Anand K. Ganesan, Advocate (through V.C)

ORDER

1. The Petitioner (PSPCL) has filed the present petition for seeking carry forward of its surplus accruing in the RPO compliance of FY 2022-23 and 2023-24 to FY 2024-25. The submissions made by the petitioner are summarized as under:

1.1 That In exercise of the powers conferred by Sections 61, 66, 86 (1)(e), and 181 of the Electricity Act, 2003, the Commission has notified the RPO Regulations 2022 specifying the RPO targets mandated to be fulfilled by all the obligated entities in the State. PSPCL, being a distribution licensee in the State, is also an obligated entity as per Regulation 2(1)(g) of the PSERC (RPO and Its Compliance) Regulations, 2022.

1.2 The Commission vide Order dated 14.06.2024 in Petition No. 64 of 2023 has already recognized in terms of the true-up order that there is a Cumulative Surplus in RPO upto FY 2022-23 of 1790 MU. Further, for FY 2023-24 also, PSPCL has over achieved its RPO targets and is in surplus (provisional) of 1684.76 MUs, as under:

Sr. No.	Particulars	FY 2023-24 (MU)
1.	Energy Consumption/ Input Energy for RPO	68,086.13
2.	Total RPO required - 27%	18,383.26
3.	RE generation/purchase (RPO compliance)	
	(i) Hydel Power from HPPs	12757.53
	(ii) Long term NRSE purchase	6390.59
	(iii) Short term NRSE purchase	118.68
	(iv) REC Purchase	0.00
	(v) Non-Solar RE from bio-mass pellets	23.82
	(vi) Roof-top Net Metering	777.40
	Total RE achieved for FY 23-24	20,068.02
4.	Shortfall (-)/Surplus(+)	(+)1684.76

1.3 However, for FY 2024-25, PSPCL seems to be falling short of its target of consuming at least 30% of its total energy consumption from renewable energy mainly for the reason that some of the RE projects like 400 MW CPSU scheme (NHPC), 100 MW SGEL etc. which were expected to be commissioned in FY 2024-25, are getting delayed due to unexpected circumstances beyond the control of PSPCL.

1.4 That, the Commission is vested with the *Power to Remove Difficulties* under Regulation 10 and *Power to Relax* under Regulation 12 of the RPO Regulations 2022. Even otherwise, the Commission has been clothed with inherent powers under Regulation 8 to make any such order as may be necessary to meet the ends of justice.

1.5 In case the carrying forward of RPO surplus is not allowed, this surplus of renewable energy shall remain unutilized. As a consequence, PSPCL may have to procure short term RE power or purchase Renewable Energy Certificates (RECs). It needs no reiteration that resorting to procuring short term RE power or RECs is financially detrimental owing to the high cost involved.

1.6 In view of the above, it is prayed that the Commission may be pleased to:

- “a) Permit PSPCL to carry forward the surplus in Renewable Purchase Obligation of 3475 MUs (i.e., 1790 MUs for FY 2022-23 and 1685 MUs for FY 2023-24) to FY 2024-25; and*
- b) Pass such other further Order(s) as the Commission may deem just in the facts and circumstances of the present case.”*

2. The petition was placed before the Commission for admission. The Commission after considering the averments, admitted the petition vide Order dated 11.09.2024 with directions to list the same for hearing.
3. The matter was taken up for hearing on 20.11.2024. The Ld. Counsel appearing for PSPCL reiterated its submissions and prayed for allowing the Petition. After hearing the Petitioner, the Commission allowed the prayer in the Petition as per the detailed order below:

4. Analysis and Decision of the Commission

The Commission has examined the submissions and arguments thereon by the Petitioner. The Petitioner (PSPCL) is seeking carrying forward of its surplus RPOs of FY 2022-23 and 2023-24 to FY 2024-25. PSPCL's plea is that while it has over-achieved its RPOs for FY 2022-23 and 2023-24, it is likely to face shortfall in its RPO target for FY 2024-25 mainly due to the un-expected delay in commissioning of the RE projects tied up to meet its mandated RPO compliance.

The Commission observes that, in view of the uncertainty attached to the projected demand/consumption on which RPO targets in percentage term is required to be fulfilled, the obligated entities generally play safe and prefer to calculate the same on the lower side to work out the RE power tie-ups and makes up the shortfall through purchase of RECs. Therefore, the endeavor of the State Utility to go for purchase of green energy resulting in a surplus of the RPOs is a laudable effort.

However, as the RE power has got a premium attached to it, any surplus procurement of same, though helpful in accelerated reduction of carbon, results in higher Power Purchase Cost to the Licensee and increased tariff for the retail consumers. Therefore, justice demands that the State Utility's endeavor to excel/ over-achieve its targets should not be allowed to go waste.

In view of above, the Commission, in exercise of its inherent powers saved under Regulation 8 of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations 2022, allows the Petitioner's prayer to carry forward its surplus in RPOs of FY 2022-23 and 2023-24 to FY 2024-25.

The Petition is disposed of in terms of the above observations and directions.

Sd/-

(Paramjeet Singh)
Member

Chandigarh
Dated: 21.11.2024

Sd/-

(Viswajeet Khanna)
Chairperson