

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

**Petition No. 25 of 2021**  
**Date of Order: 28.09.2021**

Petition under Regulation 68 to 72 of Chapter XIII and other relevant provisions of the PSERC (Conduct of Business) Regulations, 2005 as amended up to date and Regulation 7 to 10 of PSERC (RPO and its compliance) Regulations, 2011 as amended up to date and other relevant rules and regulations as approved by the Commission for granting exemption from the renewable purchase obligation (RPO) to the petitioner with regard to the power generated and consumed by the petitioner from conventional fuel based fully captive-cum-co-generation power plant(s) set up by the petitioner at its paper mill at Amritsar, in terms of the judgment dated 09.04.2019 passed by Hon'ble APTEL.

AND

In the matter of: Khanna Paper Mills Ltd., NH-3, Bye Pass,  
Opposite Metro Cash and Carry, Amritsar-  
140301 Punjab.

...Petitioner

Vs

1. Punjab State Power Corporation Ltd.  
(PSPCL), The Mall, Patiala.
2. Punjab Energy Development Agency (PEDA),  
Sector 33D, Chandigarh.

...Respondents

Present: Mr. Viswajeet Khanna, Chairperson  
Ms. Anjali Chandra, Member  
Mr. Paramjeet Singh, Member

**ORDER:**

1. The Petitioner has filed the present petition seeking grant of exemption from the RPO with regard to the power generated and consumed from its fully captive-cum-cogeneration power plants, in terms of the judgment dated 09.04.2019 passed by Hon'ble APTEL. The submissions made by the petitioner in brief are as under:

- a) That the petitioner is a Large Supply Industrial Consumer of PSPCL and has set up 3 conventional fuel/ Coal based fully captive-cum-cogeneration power plants so as to produce Electricity and Steam for the paper manufacturing process.
- b) That the Commission, vide the PSERC (RPO and its compliance) (Amendment-1) Regulations, 2015 specified the 'Captive user(s)' of the electricity generated in a Captive Generating Plant as an 'obligated entity' to fulfil the RPO.
- c) That the issue of imposition of RPO on captive cogenerating plants using fuels other than renewable sources was brought under challenge by M/s Ultratech Cement Ltd. in Appeal No. 322 of 2016 and M/s JSW Steels Ltd. in Appeal No. 333 of 2016 before Hon'ble APTEL. The matter was decided by Hon'ble APTEL vide its judgment dated 09.04.2019, whereby exemption of RPO on cogeneration plant being run on conventional fuel has been allowed.
- d) That the petitioner approached the Commission vide its letters dated 24.08.2019 and 15.10.2019 with request to decide the issue with regard to the exemption to its conventional fuel based fully captive-cum-cogeneration

plants from RPO, in reference to Hon'ble APTEL judgment. The issue was also taken up by some similarly placed persons with this Commission. The Commission vide its letter dated 17.02.2020 informed the petitioner to approach PSPCL and in case the matter remains unresolved, they are at liberty to approach the Commission.

- e) That the petitioner vide letter dated 06.03.2020 approached PSPCL seeking exemption from compliance of RPO from the date of RPO regulations, with reference to Hon'ble APTEL judgment. The meeting of the coordination committee of PSPCL and PEDDA was held on 17.11.2020 wherein it was decided as under:

*“.....exemption in RPO and its compliance fall under purview of State Regulatory Commission. Also requisite amendments including eligibility criteria for declaring such plants as complying with co-gen cycle need to be carried out in the RPO Regulations, 2011 notified by the Hon'ble State Commission before adopting the Hon'ble APTEL Judgment dated 09.04.2019 in the state of Punjab.....In view of the above, the Committee decided that the M/s Khanna Paper Mills Limited and Kuantum Papers Limited be advised to file a Petition in PSERC for grant of exemptions from RPO compliance in view of the orders of Hon'ble APTEL...”*

- f) Accordingly, the petitioner is constrained to file the present petition. It is pertinent to mention that in terms of the meeting of the Coordination Committee consisting of the officials of PEDDA and PSPCL, none of the parties have objected or have disputed the admissibility of exemption of RPO to the petitioner.
- g) The petitioner has prayed to:



- i) Grant exemption to the petitioner from its RPO with regard to the power generated and consumed by the petitioner from conventional fuel based fully captive-cum-co-generation power plants set up by the petitioner at its paper Mill at Amritsar, in terms of the judgment dated 09.04.2019 passed by Hon'ble APTEL.
- ii) Carry out the necessary amendment in the prevailing RPO regulations, required, if any, so as to render exemption to the petitioner from the RPO with regard to the power generated and consumed by the petitioner from conventional fuel based fully captive-cum-cogeneration set up by the petitioner at its paper Mill at Amritsar, in terms of the judgment dated 09.04.2019 passed by Hon'ble APTEL.

2. The petition was admitted vide Commission's Order dated 17.05.2021 and after hearing the parties on 08.09.2021, Order was reserved.

**3. Findings and Decision of the Commission**

It is observed by the Commission that the prayer made in the instant petition is similar to the prayer made in Petition No. 24 of 2021, wherein the parties have prayed to carry out the necessary amendment in the prevailing RPO Regulations, for rendering exemption from RPO to co-generation plants which was duly decided by the Commission. The Commission has held that the existing provisions of RPO Regulations do not in any way prevent the implementation of APTEL's judgments under consideration and that the judgments are applicable *mutatis mutandis* on all co-generation plants using any fuel.

Accordingly, the issue of the instant petition regarding the exemption from RPO with regard to the power generated and consumed by the co-generation power plants stands decided by the Commission in petition no. 24 of 2021. Therefore, the prayer in the instant petition is allowed and disposed of in terms of the Commission's Order in petition no. 24 of 2021.

Sd/-  
(Paramjeet Singh)  
Member

Sd/-  
(Anjuli Chandra)  
Member

Sd/-  
(Viswajeet Khanna)  
Chairperson

**Chandigarh**

**Dated: 28.09.2021**

