

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-221, SECTOR 34-A, CHANDIGARH**

**Petition No. 34 of 2013
Date of hearing: 23.07.2013
Date of Order: 30.07.2013**

In the matter of: Petition for Carry Forward of Compliance of Renewable Purchase Obligation (Solar REC"s) under 1st provision of Regulation 6(2) of RPO (Renewable Purchase Obligation) regulations.

AND

In the matter of: 1. Shiva Texfabs Ltd.
2. Shiva Fabricators (P) Ltd.
3. Shiva Speciality Yarns Ltd.
4. Yogindera Worsted Ltd.
through Shri B.P. Sharma, H.No. 3848, Top of Health Club, Rian
Mohalla Machhiwara, Distt. Ludhiana

Present: Smt.Romila Dubey, Chairperson
Shri Virinder Singh, Member
Shri Gurinder Jit Singh, Member

For the petitioner: Shri B.P. Sharma

For PSPCL: Shri Sanjeev Gupta, S.E/TR-2
Shri A.K. Vij, Addl.S.E /IPC

For PEDDA: Shri Rajesh Kohli, System Engineer

Order

Shiva Texfabs Ltd., Shiva Fabricators (P) Ltd., Shiva Speciality Yarns Ltd. and Yogindera Worsted Ltd. filed this petition jointly for carrying forward of compliance of Renewable Purchase Obligation (RPO), Solar, under 1st proviso of Regulation 6(2) of Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2011 (RPO Regulations, 2011). The petitioners have submitted that they placed bids for purchasing Renewable Energy Certificates (RECs) (Solar & Non-Solar) for RPO compliance for FY 2011-12 and FY 2012-13 at ₹12500 per REC (Solar) and ₹1500 per REC (Non-Solar) for FY 2012-13 respectively on 28.03.2013. As a proof thereof, the petitioners have also attached copies of the communication(s) (E-mails) sent for the purpose. The petitioners have submitted that although their bid(s) for purchase of

RECs (Non-Solar) were cleared successfully, the bids for purchase of RECs (Solar) could not be cleared since the bid clearing price was higher at ₹13400 per REC (Solar). The petitioners have further submitted that this was the highest price for RECs (Solar) during FY 2012-13, due to shortage of RECs (Solar). The petitioners have also submitted the data in respect of availability of RECs (Solar) (Indian Energy Exchange, New Delhi) during FY 2012-13 (upto January, 2013) indicating that Buy Bids were substantially more than the Sell Bids and further submitted that the Central Agency (National Load Dispatch Centre) redeemed 8596 RECs (Solar) against 9847 issued during the period from May, 2012 to January, 2013. The petitioners have further submitted that the demand and supply gap will narrow down in the coming years as more capacity (Solar power plants) is likely to be set up in REC mode.

2. The Commission vide Order dated 14.06.2013 admitted the petition and made Punjab State Power Corporation Ltd. (PSPCL) and Punjab Energy Development Agency (PEDA) as respondents and while issuing Notice directed the respondents to file the reply to the petition by 16.07.2013. PSPCL submitted the reply vide CE/ARR & TR letter no. 5943/TR-5/582 dated 15.07.2013 and PEDA submitted its reply vide letter no. 2404-06 dated 16.07.2013. The petitioners, PSPCL and PEDA were heard by the Commission on 23.07.2013 wherein the parties reiterated their submissions already made.

3. PSPCL in its reply dated 15.07.2013, submitted that under 1st proviso of Regulation 6(2) of the RPO Regulations, 2011, in case of genuine difficulty because of non-availability of RECs or otherwise, the obligated entities (petitioners) can approach the Commission for carrying forward of RPO compliance to the next year and that the 2nd proviso enables the Commission to provide relief in such circumstances. PSPCL has further submitted that the Commission vide Order dated 28.03.2013 has allowed the obligated entities other than PSPCL to carry forward the shortfall in RPO (Solar) for FY 2012-13 to the next year i.e. FY 2013-14, in addition to the RPO (Solar) for the next year.

4. PEDA in its reply dated 16.07.2013, while referring to the Orders of the Commission dated 22.03.2012 and 28.03.2013, submitted that the Commission has already allowed the obligated entities other than PSPCL to carry forward the RPO (Solar) for FY 2011-12 and FY 2012-13 to FY 2012-13 and FY 2013-14 respectively. PEDA has further submitted that in view of the above, the petitioners can fulfil the RPO (Solar) in FY 2013-14. In the prayer, PEDA has requested the Commission to take appropriate decision in the matter.

5. The Commission has examined the request of the petitioners to allow carrying forward the compliance of RPO (Solar) for FY 2011-12 and FY 2012-13 to FY 2013-14. The Commission notes that the attempt of the petitioners to purchase RECs at Indian Energy Exchange, New Delhi on 28.03.2013 was belated as the same happened to be the last day of trading RECs in FY 2012-13 and the petitioners were only partially successful in procuring RECs (Non-Solar). The petitioners appear to have not made any attempt to purchase RECs from the Power Exchange of India Ltd., Mumbai, the other Power Exchange operating in the country. The Commission is of the view that the petitioners should have endeavoured to act in-time to ensure purchase of required quantity of RECs including Solar to comply with the RPO (Solar) also.

6. With regard to the petitioners' request to allow carrying forward of the RPO (Solar) for FY 2012-13 to FY 2013-14, the Commission notes that the same falls within the ambit of Commission's Order dated 28.03.2013, as submitted by both the respondents also. In the said Order, the Commission has, on the request of Open Access customers, allowed the obligated entities other than PSPCL to carry forward the RPO (Solar) for FY 2012-13 to FY 2013-14, in addition to the RPO (Solar) for that year, either through purchase of electricity generated from Solar power projects or Solar RECs. Necessary action in this regard may be taken by the petitioners, accordingly. The petitioners are directed to submit the RPO compliance report to PSPCL and PEDDA in the first week of the month following each quarter.

7. With regard to the request of the petitioners to allow carrying forward of the RPO (Solar) for FY 2011-12 also to FY 2013-14, the Commission notes that in March, 2012, on the request of Open Access customers including the petitioners, the Commission had in its Order dated 22.03.2012 allowed the obligated entities other than PSPCL to carry forward the shortfall in RPO (Solar) for FY 2011-12 to FY 2012-13, in addition to the RPO (Solar) for that year, either through purchase of electricity generated from Solar power projects or Solar RECs. However, the Commission notes with concern that no action to comply with RPO (Solar) for FY 2011-12 appears to have been taken by the petitioners in the entire FY 2012-13 except on the last trading day for purchase of RECs in FY 2012-13 i.e. 28.03.2013. Even on that day, their bids were inadequately priced to fructify and the RECs (Solar) could not be procured by the petitioners. The Commission feels that the petitioners have not acted responsibly in this case. However, the Commission allows the petitioners to carry forward the RPO (Solar) for FY 2011-12, which was already allowed to be carried forward to FY 2012-13, to be complied with by 31.12.2013 positively, failing which

further action as per the Regulations may be initiated. The compliance report for the same be submitted to PSPCL as well as PEDDA in the first week of January, 2014.

The petition is disposed of accordingly.

**Sd/-
(Gurinder Jit Singh)
Member**

**Sd/-
(Virinder Singh)
Member**

**Sd/-
(Romila Dubey)
Chairperson**

**Chandigarh
Dated: 30.07.2013**