

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

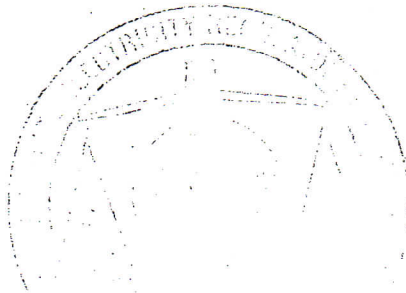
Date of Order: 22-03-2012

In the matter of: To allow the Obligated Entities to carry forward the shortfall in the compliance of Renewable Purchase Obligation (Solar) to the next year due to non-availability of Renewable Energy Certificates (Solar)

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

ORDER

1. A few Open Access customers have made representations to the Commission with regard to the difficulty being experienced by them in meeting their Renewable Purchase Obligation (RPO) (Solar) due to non-availability of Renewable Energy Certificates (RECs) (Solar) at Power Exchanges and requested for exemption for purchasing Solar RECs during the year 2011-12 so as to avoid levy of penalty without any fault on their part. It has been further submitted that during the year 2011-12, only Non-Solar RECs are available through the Power Exchanges and that Solar RECs are not available.
2. The Commission has examined the request of the Open Access customers for exemption of compliance of Solar RPO for the year 2011-12 by them, due to non-availability of Solar RECs at the Power Exchanges. After verifying the data of the Power Exchanges with regard to the non-availability of the Solar RECs from April 2011 to February 2012, the Commission is convinced of the genuine difficulty being experienced by the Open Access customers.
3. The Commission notes that RPO can be met either through purchase of renewable energy from respective sources or purchase of respective RECs from the Power Exchanges. As Open Access customers would require only a small quantum of RE Power for fulfilment of their RPO, although not brought out in their submissions, the



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Commission feels that it may not be feasible for Open Access customers to arrange small quantum of solar power for the purpose and would rather meet their solar RPO through purchase of RECs, which incidentally are not available.

4. The Commission also notes that as per Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2011 (RPO Regulations), every obligated entity is required to comply with the RPO prescribed in the said Regulations. The Commission has specified the RPO for the years 2011-12 to 2014-15 in the ibid Regulations. The Commission further notes that in case the obligated entity fails to comply with the prescribed RPO, either through purchase of renewable energy or RECs, it is liable for penalty under Section 142 of the Electricity Act, 2003 under Regulation 6 (2). However, in terms of first proviso, in case of genuine difficulty because of non-availability of RECs or otherwise, the obligated entity can approach the Commission for carrying forward of RPO compliance to the next year and the second proviso enables the Commission to provide relief in such circumstances. Regulation 6(2) reads as hereunder:

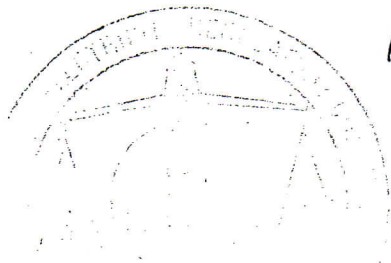
"Where any obligated entity fails to comply with the obligation to purchase the required percentage of electricity from renewable energy sources or the renewable energy certificates, it shall also be liable for penalty as may be decided by the Commission under section 142 of the Act;

Provided that in case of genuine difficulty in complying with the renewable purchase obligation because of non-availability of certificates or otherwise, the obligated entity can approach the Commission for carrying forward of compliance requirement to the next year;

Provided that on being so approached, the Commission may review the fulfillment of the renewable purchase obligation by the obligated entity, keeping in view its performance and allow the shortfall to be carried forward to the next year in addition to the renewable purchase obligation for that year. At the end of 3 years period, the Commission may, if deemed appropriate, review the fulfillment of renewable purchase obligation by the obligated entity and pass suitable order(s);

Provided that where the Commission has consented to the carry forward of compliance requirement, the provision of clause (1) of the Regulation or the provision of section 142 of the Act shall not be invoked."

5. Accordingly, in exercise of powers vested with the Commission under Regulation 6(2), the Commission allows the obligated entities other than PSPCL to carry forward the



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shortfall in their RPO (Solar) to the next year i.e. 2012-13 in addition to the Solar RPO for the next year, either through purchase of Solar power or Solar RECs.



(Gurinderjit Singh)
Member



(Virinder Singh)
Member



(Romila Dubey)
Chairperson

Chandigarh

Dated: 22-03-2012

Authenticated



Registrar
Punjab State Electricity
Regulatory Commission
Chandigarh

