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ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. OA – 453 / 23 - 24

REGARDING THE APPLICATION SUBMITTED BY INDIA POWER CORPORATION LIMITED ("IPCL") SEEKING CERTIFICATION OF THE HON'BLE WEST BENGAL ELECTRICITY REGULATORY COMMISSION ("WBERC") CONCERNING RENEWABLE ENERGY PURCHASED BY IPCL MORE THAN RENEWABLE PURCHASE OBLIGATION ("RPO") TARGET FOR FY 2022-23 FOR ENABLING GRANT OF RENEWABLE ENERGY CERTIFICATE ("REC") TO IPCL AS A DISTRIBUTION LICENSEE BY NATIONAL LOAD DESPATCH CENTRE ("CENTRAL AGENCY") AND FOLLOWING REGULATION 10 (3) of CENTRAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR RENEWABLE ENERGY CERTIFICATES FOR RENEWABLE ENERGY GENERATION) REGULATIONS, 2022

PRESENT:

SHRI MALLELA VENKATESWARA RAO, CHAIRPERSON

SHRI PULAK KUMAR TEWARI, MEMBER

DATED: 11.09.2023

Facts in brief

1 India Power Corporation Limited (in short 'IPCL'), a distribution licensee under the West Bengal Electricity Regulatory Commission has applied vide letter dated 12.04.2023 seeking a certificate as per sub-regulation 3 of regulation 10 of Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) regulations, 2022 for excess procurement of renewable energy in respect of Renewable Purchase Obligation (in short 'RPO') for FY 2022-23. The requirement of the certificate is for applying for getting Renewable Energy Certificates (REC) from Central Agency. The application has been admitted by the Commission in Case No. OA – 453 / 23 - 24

2 The petitioner further appealed in the petition for allowing either to retain the Renewable Energy Certificates for fulfilling future RPO or to monetize the same.

Observations of the Commission

3 The Commission has observed the followings:

(i) An obligated entity, being a distribution licensee or an open access consumer, which purchases electricity from renewable energy sources in excess of the renewable purchase obligation as determined by the concerned State Commission shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from renewable energy sources as per sub-regulation 4 of regulation 4 of CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) regulations, 2022.

(ii) A distribution licensee or an open access consumer satisfying the eligibility conditions specified in clause (4) of Regulation 4 of CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 shall deemed to have been accredited for grant of registration under those regulations as per sub-regulation 4 of regulation 6 of those regulations.

(iii) Para 1.3 of Part – 1 of NLDC's approved detailed Procedure for implementation of REC mechanism specified that, based on Energy Account prepared by SLDC, the eligible entity shall apply for issuance of REC.

(iv) The levelized tariff for renewable energy technologies estimated less than or equal to Rs. 4/- is assigned a 'Certificate Multiplier' of 1 (one) by CERC in Annexure-1 of CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022. IPCL's RE power procurement falls under this category.

(v) National Load Despatch Centre, the 'Central Agency', has provided a format 3.5 in 'Procedure for Implementation of REC Mechanism' for issuing certificates by the State Electricity Regulatory Commission which they noted as 'model format' and specified that actual format will be as per trajectory specified by Appropriate Commission.

(vi) Regulation 3.1 of WBERC (Cogeneration and Generation of Electricity from Renewable Source of Energy) (First Amendment) 2020 specified that the minimum quantum of purchase (in %) of total consumption from renewable energy sources is 6% for solar, 11% for non-solar and 17% for total provided that, on achievement of non-solar RPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess solar energy purchased beyond specific solar RPO for that particular year.

(vii) The petitioner IPCL provided auditor's certificate which verified that the total consumption of electricity in the area of supply of IPCL including own consumption is 912980 MWh. However, IPCL did not provide any document regarding actual distribution losses during 2022-23.

(viii) As per schedule – 9A of WBERC (Terms and Conditions of Tariff) (Amendment) Regulations 2013, the norms for distribution loss for IPCL for 2022-23 was 5.25%. Therefore, energy input for calculation of RPO of IPCL incorporating loss is 912980 x 1.0525 = 960911 MWh.

(ix) WBSLDC has provided month-wise certificate of Solar and non-Solar Energy procurement and sale of IPCL for the period 2022-23 which reflects that net non-Solar Energy procurement is 57492 MWh in aggregate i.e., only a mere

54.4% of non-solar RPO. This is clearly shortfall in complying restriction specified in regulation 3.1 of WBERC (Cogeneration and Generation of Electricity from Renewable Source of Energy) (First Amendment) 2020 which provided that non-solar obligation can be fulfilled by solar power procurement if the amount of non-solar procurement is 85% and above.

(x) Net Solar Energy procurement of IPCL is 200295 MWh in aggregate and thus 142640 MWh excess than the solar RPO for 2022-23.

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4 Based on the certification of WBSLDC regarding procurement of solar and non-solar power and the auditor's certificate regarding total consumption of electricity in the area of supply of IPCL during the FY 2022-23, the Commission is satisfied that a quantum of 142640 MWh of excess solar power had been purchased by IPCL during FY 2022-23.

5 IPCL is at liberty to approach NLDC for the issuance of the REC.

6 Further, IPCL is disallowed to retain the REC for redemption to meet future RPO since there is no provision in WBERC regulations for such facility.

7 A copy of the order shall be posted on the website of the Commission.

8 IPCL shall download a copy of the order from the website of the Commission and act on it. A certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fee.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 11.09.2023

Sd/-
SECRETARY