

TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Notification No. TNERC/RPO/ 19/1 dated 07-12-2010

In exercise of powers conferred by section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) read with sections 61, 66 and 86(1)(e) and all other powers enabling it in this behalf, and after previous publication, the Tamil Nadu Electricity Regulatory Commission hereby makes the following regulations for the Renewable Energy Purchase Obligation:

1. Short title and commencement.-

- (1) These regulations may be called the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010.
- (2) These regulations shall come into force on the date of their publication in the Tamil Nadu Government Gazette.

2. Definitions.-

- (1) In these regulations, unless the context otherwise requires,-
 - (a) '**Act**' means the Electricity Act, 2003 (Act 36 of 2003);
 - (b) '**Central Agency**' means the agency as defined in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;
 - (c) '**Central Commission**' means the Central Electricity Regulatory Commission as defined in Section 2(9) of the Act;
 - (d) '**Certificate**' means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the procedures prescribed by it and under the provisions specified in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;

- (e) **'Commission'** means the Tamil Nadu Electricity Regulatory Commission;
- (f) **'forbearance price'** means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificate can be dealt with in power exchange;
- (g) **'obligated entity'** means the entity mandated under clause (e) of sub-section (1) of section 86 of the Act to fulfil the renewable purchase obligation;
- (h) **'Pooled cost of power purchase'** means the weighted average pooled price at which the distribution licensee has purchased the electricity including cost of self generation in the previous year from all the long-term energy suppliers, but excluding those based on liquid fuel, purchase from traders, short-term purchases and renewable energy sources;
- (i) **'Power Exchange'** means that power exchange which operates with the approval of the Central Commission;
- (j) **'preferential tariff'** means the tariff fixed by the Commission for sale of energy from a generating station based on renewable energy sources to a distribution licensee;
- (k) **'Quantum of purchase'** means percentage share of total purchase of electricity from renewable sources as specified in the Commission's tariff orders on renewable energy and the quantum would be the sum of all direct purchases from generating stations based on renewable sources and purchase from any other source, which would arise from renewable sources;
- (l) **'Renewable Sources'** means sources of energy as defined in the Regulation 2(1) (g) of the Power Procurement from New and Renewable Sources of Energy Regulations, 2008 issued by the Commission;
- (m) **'State Agency'** means the **State Load Dispatch Centre** of the State of Tamil Nadu as defined under Section 2(66) of the Act or the Agency so designated by the Commission under Regulation 5(4) of these Regulations;
- (n) **'Year'** means a financial year commencing with the 1st April of the current year

and ending with the 31st March of the succeeding year;

- (2) Words and expressions used and not defined in these Regulations but defined in the Act or the Regulations issued by the Central Commission or any other Regulations issued by the Commission, shall have the meaning respectively assigned to them in the Act or such Regulations.

3. Renewable Purchase Obligation.-

- (1) Every obligated entity shall purchase not less than defined minimum percentage of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation (RPO) during a year **as specified in the Commission's tariff regulations/orders on renewable energy issued from time to time:**

Provided that certain percentage out of the renewable purchase obligation so specified in the Commission's tariff order on solar energy shall be procured from generation based on solar energy as renewable energy source:

Provided further that when NTPC Vidyut Vyapar Nigam Ltd. (NVVN) supplies bundled power to distribution licensee(s) in the State at the rate determined as per Central Electricity Regulatory Commission regulations, the distribution licensee will be entitled to use the solar part of the bundled power for meeting the RPO specified under the Electricity Act, 2003.

Provided also that if the obligated entity has established the fact that the minimum quantum of power purchase from solar energy is not available in the market either in the form of solar Renewable Energy Certificate (REC) or solar energy in a particular year and the Commission is satisfied with the fact, then in such cases, the other renewable energy sources shall be purchased for fulfillment of the solar RPO **as mentioned in the Commission's tariff orders on renewable energy:**

Provided also that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity:

Provided also that the energy purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.

- (2) If the RPO for any of the year is not specified by the Commission, the RPO specified for the previous year shall be continued beyond the period till any revision is effected by the Commission in this regard.

4. Certificates under the Regulations of the Central Commission.-

- (1) Subject to these regulations the Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be the valid instruments for the discharge of the mandatory obligations set out in these regulations for the obligated entities to purchase electricity from renewable energy sources:

Provided that if a separate quota is earmarked for solar energy, the obligation to purchase electricity from generation based on solar as renewable energy source shall be fulfilled by purchase of solar certificates only.

- (2) Subject to such direction as the Commission may give from time to time, the obligated entity shall act in consonance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation)

Regulations, 2010 notified by the Central Commission in regard to the procurement of the certificates for fulfillment of the RPO under these regulations.

- (3) The Certificates purchased by the obligated entities from the power exchange in terms of the regulation of the Central Commission mentioned in clause (1) of this Regulation shall be deposited by the obligated entities with the State Agency in accordance with the detailed procedure issued by the Central Agency.

5. State Agency.-

- (1) The State Agency shall be the agency for accreditation and recommending the renewable energy projects for registration and to discharge the functions under these regulations and Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010.
- (2) The State Agency shall submit quarterly status report to the Commission in respect of compliance of renewable purchase obligation by the obligated entities and may suggest appropriate action to the Commission if required for compliance of the renewable purchase obligation.
- (3) The Commission may from time to time fix the remuneration and charges payable to the State Agency for discharge of its functions under these regulations.
- (4) If the Commission is satisfied that the State Agency is not able to discharge its functions satisfactorily, it may by general or special order, and for reasons to be recorded in writing, designate any other agency to function as State Agency as it considers appropriate.

6. Eligibility and Registration for Certificates. –

(1) A generating company engaged in generation of electricity from renewable energy sources shall be eligible for obtaining accreditation from the State Agency if it fulfils the following conditions:

(a) It does not have any power purchase agreement for the capacity related to such generation to sell electricity at a preferential tariff determined by the Commission; and

(b) It sells the electricity generated either (i) to the distribution licensee in the State of Tamil Nadu at a price not exceeding the pooled cost of power purchase, or (ii) to any other licensee or to an open access consumer at a mutually agreed price, or through power exchange at market determined price.

7. Consequence of default.-

(1) If the obligated entity does not fulfill the RPO as provided in these regulations during any year or does not purchase the certificates as the case may be, the Commission may direct the obligated entity to deposit into a separate fund, to be created and maintained by the **State Agency**, such amount as the Commission may determine on the basis of the shortfall in units of RPO and the forbearance price decided by the Central Commission. The penal charges will be equivalent to the forbearance price multiplied by shortfall in units of RPO:

Provided that the fund so created shall be utilized, as may be directed by the Commission, for purchase of the certificates:

Provided further that the Commission may empower an officer of the State Agency to procure from the Power Exchange the required number of certificates to the extent of the shortfall in the fulfillment of the obligations, out of the fund:

Provided also that the distribution licensee shall be in breach of his licence condition if he fails to deposit the amount as directed by the Commission within 15 days of the communication of the direction.

- (2) Where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources or to purchase 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 bonafide difficulty in complying with the renewable purchase obligation owing to non-availability of certificates, the obligated entity can approach the Commission requesting permission to carry forward of compliance requirement to the next year.

8. Power to remove difficulties.-

- (1) The Commission shall suo-motu or on an application from any person generating electricity from renewable sources or an entity mandated under clause (e) of sub-section (1) of section 86 of the Act to fulfil the renewable purchase obligation may review, add, amend or alter these regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these regulations.

(By order of the Commission)

Secretary
Tamil Nadu Electricity Regulatory Commission.