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**PART--I-- Orders and Notifications by the Government of Tripura,
The High Court, Government Treasury etc.**

TRIPURA ELECTRICITY REGULATORY COMMISSION

No. F.25/TERC/2009/415

Dated, Agartala, the 16th September, 2010.

NOTIFICATION OF

**(REGULATION OF PROCUREMENT OF ENERGY FROM RENEWABLE SOURCES)
REGULATIONS, 2010.**

In exercise of powers conferred under section 61,66,86(1)(e) and 181 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling in this behalf, the Tripura Electricity Regulatory commission hereby makes the following regulations for promoting the sale of power from renewable energy sources to any person and for procurement of energy from renewable sources by Distribution Licensee within the State of Tripura.

1. SHORT TITLE AND COMMENCEMENT

- i). These regulations shall be called the T.E.R.C. (**Procurement of Energy from Renewable Sources**) Regulations, 2010.
- ii). These regulations shall come into force from the date of their publication in the Official Gazette.
- iii). These Regulations shall apply throughout the State of Tripura.

2. DEFINITIONS AND INTERPRETATION:

In these regulations, unless the context otherwise requires,

- a) "Act" means the Electricity Act, 2003(36 of 2003);
 - b) "Area of supply" means the area within which a distribution licensee is authorized to supply electricity.
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- c) **“Central Agency”** means the agency operating the National Load Dispatch Centre or such other agency as the Central commission may designate from time to time.
- d) **“Central Commission”** means the central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- e) **“Certificate”** means the renewable energy certificate 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 issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010.
- f) **“Commission”** means the Tripura Electricity Regulatory Commission as referred in sub-section (1) of section 82 of the Act;
- g) **“Distribution Licensee”** means a licensee authorize to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
- h) **“Floor Price”** means the minimum price as determined by the Central Electricity Regulatory Commission in accordance with its (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 at and above which the certificate can be dealt in the power exchange;
- i) **“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 issue of Renewable energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time, within which only the Certificate can be dealt in power exchange;

- j) **“MNRE”** means the Ministry of New and Renewable Energy;
- k) **“Obligated entity”** means the distribution licensee, consumer owning the captive power plants and open access consumer in the State of Tripura which is mandated to fulfill renewable purchase obligation under these Regulations;
- l) **“Person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial judicial person;
- m) **“Power Exchange”** means any exchange operating as the power exchange for electricity in terms of the orders issued by the Central Commission;
- n) **“Preferential tariff”** means the tariff fixed by the Appropriate Commission for sale of energy from a generating station based on renewable energy sources to a distribution licensee ;
- o) **“Quantum of Purchase”** means percentage share of total purchase of electricity from renewable energy sources as specified in these Regulations. The quantum would be the sum of all direct purchases from generating stations based on renewable energy sources and purchase from any other licensee, which would arise from renewable energy sources;
- p) **“Renewable energy sources”** means renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste and as such other sources as recognized or approved by MNRE;
- q) **“State agency”** means the agency in the State of Tripura to be designated by the Commission to act as the agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these regulations;
- r) **“Year”** means a financial year.

- s) Supply in relation to electricity means the sale of electricity to a licensee or consumer;

Words and expressions used in these Regulation and not defined but defined in the Act or the regulations issued by the Central Commission or any other regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act or such regulations issued by the Central Commission or such other regulations issued by the Commission.

3. APPLICABILITY OF RENEWABLE PURCHASE OBLIGATION

These Regulations shall apply to

- (a) Distribution Licensee,
- (b) Any other person consuming electricity (i) generated from conventional Captive Generating Plant having capacity of 5 MW and above for his own use and / or (ii) procured from conventional generation through open access and third party sale.

4. QUANTUM OF RENEWABLE ENERGY PURCHASE OBLIGATION (RPO)

- 4.1 Every obligated entity shall purchase not less than 1% during 1st year, 1% during 2nd year and 2% during 3rd year of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation during each of the years from April to March.
- 4.2 Provided that 0.1 (%) percentage point out the renewable purchase obligation so specified shall be procured from generation bases on solar as renewable energy source only:
- 4.3 Provided further, such obligation to purchase renewable energy shall be inclusive of the purchase, if any, from renewable energy sources already being made by concerned obligated entity:
- 4.4 Provided also that the power purchases under the power purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees and consented to by the Commission shall continue to be made till their

present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove

5. CERTIFICATES UNDER THE REGULATIONS OF THE CENTRAL COMMISSION

5.1 Subject to the terms and conditions contained in these regulations the Certificates issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2009 shall be the valid instructions 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 in the event of the obligated entity fulfilling the renewable purchase obligation by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates.

5.2 Subject to such direction as the Commission may give from time to time, the obligated entity shall act consistent with the Central Electricity regulatory Commission (Terms and conditions for recognition and issue 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 Renewable Purchase Obligation under these regulations.

5.3 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 to the Commission in accordance with the detailed procedure issued by the Central Agency.

6. STATE AGENCY

- i). The Commission shall designate an agency as State Agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these regulations.
- ii). The State Agency shall function in accordance with the directions issued by the Commission and shall act in consistent with the procedure rules laid by Central Agency for discharge of its functions under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation)Regulations, 2009.
- iii). The State Agency shall submit quarterly status to the Commission in respect of compliance of renewable purchase obligation by the obligated entities in the format as stipulated by the Commission and may suggest appropriate action to the Commission if required for compliance of the renewable purchase obligation.
- iv). 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.
- v). 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 by recording reasons in writing, designate any other agency to function as State Agency as it considers appropriate.

7. DISTRIBUTION LICENSEE:-

- 7.1 Each distribution licensee shall indicate, along with sufficient proof thereof, the estimated quantum of purchase from renewable energy sources for the ensuing year in tariff/ annual performance review petition in accordance with Regulations notified by the Commission. The estimated quantum of purchase shall be in accordance with clause 4.1 of these Regulations of the approved power purchase quantity for the ensuing year (s). In the event of the actual consumption in the licensee area being different from that approved by the Commission, the RPO shall be deemed to have been modified in accordance with clause 4.1. If the distribution licensee is unable to fulfill the obligation, the shortfall of the specified quantum of that year would be added to the specified quantum for the

next year. However, credit for excess purchase from renewable energy sources would not be adjusted in the ensuing year.

- 7.2 Despite availability of renewable energy sources, if the distribution licensee fails to fulfill the minimum quantum of purchase from renewable energy sources, it shall be liable to pay compensation as per clause 9 of these Regulations.

8. **CAPTIVE AND OPEN ACCESS USER(S)/ CONSUMER (S)**

The quantum of RPO mentioned in clause 4.1 shall be applicable to captive and open access user(s)/ consumer(s) from the date as would be notified in the Official Gazette.

Every Captive and Open access consumer(s)/user(s) shall have to submit necessary details regarding total consumption of electricity and purchase of energy from renewable sources for fulfillment of RPO on yearly basis on or before 30th April to the State Agency.

Captive and Open Access Consumer(s)/ User(s) shall purchase renewable energy as stated in Table 1 Of these Regulations. If the Captive User(s) and Open Access Consumer(s) are unable to fulfill the criteria, the shortfall of the targeted quantum would attract payment of regulatory charge as per clause 9.

Captive/ Open Access consumer(s)/ User(s) may fulfill its RPO through the renewable energy certificate as provided in clause 5 above.

9. **EFFECT OF DEFAULT**

- 9.1 If the obligated entities does not fulfill the renewable purchase obligation as provided in these regulations during any year and also does not purchase the certificates , the Commission may direct the obligated entity to deposit in to a separate fund ,to be created and maintained by such obligated entity, 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:

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

transmission infrastructure for evacuation of power from generating stations based on renewable energy sources.

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 amount in the fund:

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

Where any obligated entity fails to comply with the obligation to purchase the required percentage of power from renewable energy sources or the renewable energy certificates, it shall also be liable for penalty as may 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, the obligated entity can approach the Commission for carry forward of compliance requirement to the next year:

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.

10. GRID CONNECTIVITY

- 10.1 Any person generating electricity from renewable energy sources, irrespective of installed capacity, shall have open access to any Licensee's transmission system and/ or distribution system or grid as the case may be. On an application from such person, the transmission licensee or distribution licensee shall provide appropriate interconnection facilities, as far as feasible, before Commercial Operation date of

the renewable energy project. Such interconnection shall follow the grid connectivity Standards as specified in the Indian Electricity Grid Code, State Grid Code and/ or the manner prescribed by the Central Electricity Authority.

The STU/ SLDC / Licensee shall make best efforts to strengthen the system to provide timely open access to transmit power from renewable energy sources.

11. CROSS- SUBSIDY

Third Party Sale from renewable energy sources shall be exempted from the cross-subsidy surcharge determined by the Commission from time to time. However, no banking facility shall be provided for supply (third party sale) from renewable energy sources through open access. Further, ABT compatible interface metering system capable of energy accounting for each block of 15 minutes shall be provided at both supply as well as drawal point.

For third party sale, energy generation from renewable energy sources in each 15 minute time block shall be set off against the captive/ open access user(s) consumption in the same 15 minute time block.

12. POWER TO REMOVE DIFFICULTIES

- 12.1 The Commission shall suo motu or an application from any person generating electricity from renewable energy sources or a distribution licensee or captive user or open access consumer may review, add, amend or alter these Regulations and pass appropriate orders to remove any difficulty in exercising the provisions of these Regulations.

Dy 23/2
Secretary, 2011
T.E.R.C.