

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

NOTIFICATION

Shimla: 4th October, 2016

No. HPERC/438.- In exercise of the powers conferred under Regulations 12 and 13 of the Himachal Pradesh Electricity Regulatory Commission (Renewable Power Purchase Obligations and its Compliance) Regulations, 2010 and Regulation 41 of the Himachal Pradesh Electricity Regulatory Commission (Short Term Open Access) Regulations, 2010, the Commission proposes vide its order dated 29th September, 2016 to issue the following Order detailing practice directions, with regard to the implementation and compliance of the Renewable Power Purchase Obligations by the obligated entities, and the said draft Order is hereby published for the information of all the persons likely to be affected thereby. The Commission's Order dated 29th September, 2016 and copy of draft order are also available on the website of the Commission i.e. Website: <http://www.hperc.org>. The copy of the same be obtained from the office of the Commission during office hours, on request and on payment of notional reproduction charges of Re 1/- per page.

Any person who intends to file suggestions or objections may submit the same to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Keonthal Commercial Complex, Khalini, Shimla-171002 (Fax.No.0177-2627162, E-mail: hperc@rediffmail.com) by 24th October, 2016. Suggestions and objections can be submitted in English and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the suggestions/objections are being filed on behalf of any organization or category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity will be given by the Commission at the aforesaid public meeting, to be held on 5th November, 2016 for which no separate notice will be given.

DRAFT ORDER

1. **Short title.-** This Order may be called the Himachal Pradesh Electricity Regulatory Commission (Mechanism for Monitoring and Carry-forward in Relation to RPO Compliance) Order, 2016.
2. **Applicability. -** This Order shall be applicable to all the obligated entities other than the distribution licensee.
3. **Monitoring of the RPPOs Compliance and Mechanism for Carry-forward of Short/Surplus with respect to the RPO Target(s).-**
 - (i) The State Agency shall monitor the RPPO compliance status of all the obligated entities (other than the Distribution Licensee) regularly and meticulously.
 - (ii) All obligated entities must meet the shortfalls in their total cumulative RPPOs in respect of the entire period prior to the close of FY 2016, alongwith RPPOs for FY 2016-17, latest by 31.03.2017.

- (iii) The shortfalls, if any, as on closing hour of 31.03.2017 i.e. on the closing of FY 2016-17 shall be carried forward to FY 2017-18 with a carry forward load of 10% per annum. This means that in lieu of the shortfall of one lakh units on the close of FY 2017, the obligated entity shall have to procure 1.1 Lakh units in FY 2017-18. Starting from 01.04.2017, this factor shall be applied on annual basis on 1st April of each year on the total cumulative shortfall as it stood on the closing hours of the 31st day of the month of March of the immediately preceding year.
- (iv) The surplus if any in the previous year may be carry forward upto 31.03.2017 only. Starting from 31.03.2017, carry forward of the surplus purchase of the renewable power, if any, in any year (i.e. over and above their total cumulative requirements for that year) shall not be carried forward to the next year.
- (v) In case of major defaulters, the State Agency shall also recommend to the Commission specific action against each such defaulter, starting from FY 2017-18. For the purpose, if in case of an obligated entity, the cumulative shortfall in meeting RPPOs on the 1st day of April of any financial year (i.e. after applying carry forward factor on the shortfall as it stood on 31st March of immediately succeeding year) exceeds 1000 MWh in case of non-solar (or) 100 MWh for solar, or, if an obligated entity does not meet the RPPO (solar or non-solar) for a year, alongwith carry forward factor on the shortfall for that year, but excluding the shortfall for the subsequent years, even after expiry of two years from the close of that financial year, such defaulting obligated entities shall be considered as a major defaulter.
- (vi) In addition to the provision in the preceding sub-para (iv) above, the Himachal Pradesh Load Despatch Society (SLDC) shall, before allowing any scheduling, other than that for purchase of renewable energy, under open access in favour of any obligated entity after the first day of month of June of a year, also ensure that all their RPPOs as on closing hour of 31st March of the immediately preceding year have been fully met. In case where a default pertaining to the period prior to the immediately preceding year is continuing, no such scheduling shall be allowed even during the month of April and May of that year. For this purpose, the State Agency shall issue the requisite certificates to the obligated entities, with copies to SLDC and all concerned, by the 15th day of the month of May of each subsequent year about the status of meeting the RPPOs by each open access consumers as on the 31st March of the immediately preceding year. In case the period of default is spread over more than one year and subsequently, the defaulting entity complies with their RPPO for particular year, alongwith carry forward factor thereon, the State Agency shall also issue certificate about RPPOs compliance for that year soon after the compliance of RPPO for that year. This provision shall be applicable w.e.f 01.06.2017 and the requisite certificates about the RPPOs status in respect of each open access consumer for the period upto 31.03.2017 shall be issued by the State Agency by 15.05.2017. The prevalent detailed Procedure for Short Term Open Access in intra-State transmission and/or distribution system approved by the

Commission vide Order dated 19th September, 2014 for Short Term Open Access shall be considered as modified to this extent.

- (vii) From 01.04.2017 onwards, the State Agency shall also maintain year wise status of the compliance of RPPOs (separately for solar and non-solar), alongwith the carry forward factor applied on the shortfall for the respective years, apart from the cumulative updated status including the impact of carry forward factor.
- (viii) The State Agency shall regularly submit the updated RPPO compliance status to the Commission and shall also upload the same on its website.
- (ix) The purchase of Renewable Energy Certificates (RECs) to meet RPPOs in a financial year shall be adjusted on 'first in first out basis'. For example if there is a shortfall in two years (say year 1 and the subsequent year 2), the purchase of RECs by the obligated entity during the current year (say year 3) shall be adjusted first against the shortfall for the year 1 (including the carry forward factor @ 10 % PA compounded annually) and then against such shortfall for the year 2 and then against the RPPOs for the current year 3. The total cumulative shortfall as on 31.03.2017 shall however be considered to be pertaining to the financial year 2016-17.
- (x) The obligated entities which mutually agree with the distribution licensee i.e. Himachal Pradesh State Electricity Board Limited (HPSEBL) to purchase renewable power on regular basis from the distribution licensee in accordance with the mechanism suggested in the Tariff order shall obtain certificate from HPSEBL about the purchase of renewable power from the HPSEBL, by 20th April of each year, during the immediately preceding year, and submit the same to the State Agency by the 30th April, so as to enable the State Agency to issue the requisite certificate as per sub-para (v).

4. **Over ridding effect.-**

This procedure laid down in the Orders shall have effect, notwithstanding anything inconsistent therewith contained in the other procedure/practices, directions relating to the monitoring the implementation and compliance of the RPPO by the obligated entities.

Place: Shimla.

Date: 04.10.2016.

By Order of the Commission

Sd/-
(K.S. Dhaulta)
Secretary