

Dated 21.09.2012

**Sub: Compliance of Renewable Purchase Obligation by purchase of energy through Green Tariff**

**Preamble:**

Whereas the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, as amended specifies the RPO for Captive & OA consumers as under:

" 4(ii) Every Grid Connected Captive consumers specified in clause 3(ii) above shall purchase a minimum quantity of 5% of its consumption of energy from captive sources from renewable sources of energy.

4.(iii) Every Open Access Consumer specified in clause 3(iii) above shall purchase from renewable sources of energy a minimum quantity of 5% of its consumption through Open Access sources."

Whereas, the Clause 5 of the Regulations as amended specifies as under:

**" Renewable Energy Certificates (REC). – The distribution licensees, Captive Consumers and Open Access Consumers specified in Clause 3 above, may purchase REC to meet either partly or entirely the RPO specified at Clause 4 (i), 4(ii) and 4(iii) respectively.**

Provided that, the obligation of a distribution licensee to purchase electricity from solar energy may be fulfilled by purchase of solar RECs only."





Whereas the Commission has introduced the Green tariff in its Tariff Order dated 07.12.2010, which has been continued in the recent Tariff Order-2012 also.

Whereas the Commission while approving the Green tariff, has held that the consumers who opt for Green Energy should bear the additional power purchase cost of RE sources over and above normal tariff.

Whereas in response to the letter dated 11.05.2011 of M/s Mangalore Chemical and fertilizers requesting the Commission to clarify as to whether purchase of green power from ESCOM would comply with the requirement of RPO, the Commission has replied that RPO can be met either by purchase of RE or by purchase of REC or both, as long as power is purchased from RE sources, the same would meet the RPO.


The Commission hereby passes the following order to bring in clarity regarding meeting of RPO through electricity purchase by consumers under green Tariff:

**ORDER**

**In exercise of the powers conferred under clause 12 of KERC (Procurement of Energy from Renewable Sources) Regulations, 2011 [herein referred to as the Principal Regulations], and all other powers enabling on this behalf, the Commission hereby recognizes the purchase of electricity from the distribution licensee or licensees by the consumers under green tariff as determined by the Commission from time to time, as compliance of Renewable Purchase Obligation [RPO] of Captive Consumers & Open Access consumers specified in clause 4(ii) and 4 (iii) of the principal Regulations subject to the condition that such renewable energy purchased and sold by distribution licensee or licensees shall be over and above the electricity purchased by the respective distribution licensee to fulfill its own Renewable Purchase Obligation as fixed by the Commission.**

  
M.R. Sreenivasa Murthy

Chairman



Vishvanath Hiremath

Member

  
K. Srinivasa Rao

Member