BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION, BENGALURU

Dated: 07.08.2018

Present: Shri M.K. Shankaralinge Gowda .. Chairman
Shri H.D. Arun Kumar .. Member
Shri D.B. Manival Raju .. Member

In the matter of RPO Compliance for FY17 by ACC Limited, Kudliti Works.

ORDERS

Preamble:

1. The Commission, based on the information furnished by the State Load Dispatch Center, had noted that ACC Limited, Kudlitiini Cement Works, Bellary (hereinafter referred to as the 'company'), an obligated entity, had not complied with Non-Solar RPO for FY-17 as mandated in the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, to an extent of 1.04 MWh. Thus, as per the Regulations, the company had to comply with the deficit in Non-Solar RPO to an extent of 1.14 MWh (110% of shortage). Hence, the Commission had issued notice on 01.12.2017 to show cause, as to why action under Section 142 of the Electricity Act, 2003, should not be initiated against the company for failure to comply with the aforesaid Regulations.

2. Whereas, the company had furnished its reply on 06.12.2017, stating that it has complied with the Non-Solar RPO by purchasing 2150 REC's on 26.04.2017. The Commission after examining the reply had noted that the input energy considered by the company was 39085 MWh, which was different from 39109.80 MWh furnished by the SLDC. Hence, another notice was issued to the company as well as the SLDC to appear before the Commission on 05.07.2018, with relevant facts and figures to reconcile the RPO data.

3. Whereas the company's representative appeared before the Commission on 05.07.2018 and made written submissions. It is noted from the submissions that, the company has purchased electricity to an extent of 39085 MWh under open access and not 39109.80 MWh as furnished by the SLDC earlier. Further, the SLDC in its submission made on 05.07.2018 has confirmed that the energy purchased by the company under OA is
39085 MWh. Therefore, the Company had to meet non-solar RPO of 2149.68 MWh (5.5% of 39085 MWh) and 293.14 MWh of Solar RPO (0.75% of 39085 MWh).

4. The Commission notes that the Company has submitted copy of the Non-solar RECs bearing Serial No. IEX_0002150 for having purchased 2150 [Two thousand one hundred and fifty only] RECs on 26.04.2017 and solar RECs bearing Serial No. IEX_0000294 for having purchased 294 [Two hundred and ninety-four only] Solar RECs on 25.04.2018. The company has further submitted that solar REC trading was stayed by the Hon'ble Supreme Court in May, 2017 and it could purchase solar RECs only in April, 2018, after the stay was lifted.

5. In view of the above submissions made and after verifying the documents submitted, the Commission is of the view that the company has met its Non-solar RPO as per the Regulations. Further, in the case of Solar RPO, the Solar REC trading was suspended from May, 2017 till April, 2018, consequent to Hon'ble Supreme Court's order. As such, the Company has purchased solar RECs in April, 2018, immediately after resumption of the market, to meet solar RPO of FY17, which is considered by the Commission for compliance of solar RPO of FY17.

6. Hence, the following orders:-

ORDER

The Commission notes that, as per the written submissions made on 05.07.2018, the ACC Limited, Kudilini Cement Works, has purchased 2150 [Two thousand one hundred and fifty only] Non-Solar RECs on 26.04.2017, bearing Serial No. IEX_0002150 and 294 [Two hundred and ninety-four only] Solar RECs on 25.04.2018, bearing Serial No. IEX_0000294. Keeping in view the the Hon'ble Supreme Court's order staying the trading of RECs, the Commission condones the delay in purchase of solar RECs by the company, for complying with the solar RPO for FY17. Therefore, the Company having fully met its Non-Solar and Solar RPO for FY17, the Commission hereby treats the proceedings initiated against the Company as closed.

(M.K. SHANKARALINGE GONDA) (H.D. ARUN KUMAR) (D.B. MANIVANJRAJU)
CHAIRMAN MEMBER MEMBER

07/18/18