BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION  
No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052  

Dated: 10.03.2020  

Present:  
Shri Shambhu Dayal Meena .. Chairman  
Shri H.M. Manjunatha .. Member  
Shri M.D. Ravi .. Member  

ORDERS  

Preamble:  

1. The Commission, based on the information furnished by the State Load Dispatch Center, had noted that Khayathi Steels Industries Private Limited, (hereinafter referred to as the ‘Company’), an obligated entity, had not complied with the Solar and Non-solar RPO for FY18 as mandated in the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, to an extent of 3544.03 MWh Non-Solar RPO and 1624.35 MWh Solar RPO. Thus as per the Regulations, the Company had to comply with deficit in Non-solar RPO to an extent of 3898.43 MWh (110% of shortfall) and Solar RPO to an extent of 1786.78 MWh (110% of shortfall). Hence, the Commission had issued notice on 10.04.2019 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 furnished its reply on 20.04.2019. The Commission after examining the reply, has noted that the Company has met Non-solar RPO for FY18 within the specified date 31.05.2018, which was subject to verification by SLDC and the Company had not purchased even a single unit of Solar energy
or Solar REC. Hence, as per the Regulations, by 30.06.2018 the Company has to purchase 1786.78 MWh (110% of short fall) of solar energy or solar REC. However, the Company had purchased 1625 MWh of Solar RECs in June 20018. Therefore, there is a shortfall of to an extant of 161.78 MWh in meeting the Solar RPO of FY18. Hence, the Commission directed the Company to appear before the Commission in person on 29.08.2019 with relevant facts and figures to substantiate the compliance of Solar RPO.

3. The representative of the Company appeared before the Commission on 29.08.2019 and submitted the reply to the Commission.

4. In the reply the Company stated that they have wheeled 200 MWh Solar Energy during June 2018, vide CESC, OM. No/CYS-538 dated 07.07.2018 the same energy is not adjusted for the compliance of RPO for FY19. The Company requested the Commission to Offset the shortfall of 161.78 MWh with the wheeled energy of 200 MWh.

5. Whereas, the Commission vide its letter dated 20.11.2019, directed the SLDC:
   i. To verify and clarify as to whether the wheeled energy submitted by the Company is the actual energy considered and billed.
   ii. To confirm that the energy is not adjusted for the compliance of RPO for FY19.
   iii. To verify documents and reports the compliance of RPO by the Company.

6. Accordingly, the SLDC vide its letter dated 11.12.2019 has stated that the SLDC has verified the RE certificates and OM's submitted by OA Consumer for RPO compliance of FY18 and that they have not accounted to meet RPO Compliances for the year FY17 and FY19 by M/s Khayathi Steels Industries Private Limited and that the actual energy consumed by the OA consumer is being considered for their RPO compliance.

7. In view of the above, as stated by the SLDC the Company has met solar RPO for FY18 by purchasing the Solar energy through wheeling arrangements of 200 MWh against the shortfall of 161.78 MWh. Therefore, the Company has complied with both Solar and Non-solar for FY18.

8. Hence, the following orders:-
ORDER

9. The Commission notes that, as per the written submission made on 29.08.2019, the Khayathi Steels Industries Private Limited, has met Non-solar RPO for FY18 within the specified date 31.05.2018, but the Company had not purchased even a single unit of Solar energy or Solar REC. Hence, as per the Regulations the Company had to purchase 1786.78 MWh (110% of short fall) of solar energy or solar REC. However, the Company subsequently, has purchased 1625 MWh of Solar RECs in June 20018, and also the Company submitted that they have wheeled 200 MWh Solar Energy during June 2018, vide CESC. OM. No/CYS-538 dated 07.07. 2018, which was duly verified by SLDC. Thus the company has met Solar RPO also. Therefore, in view of the Company having fully met the Non-solar and Solar RPO for FY18, the Commission hereby treats the proceedings initiated against the Company, as closed.

(SHAMBU DAYAL MEENA)
CHAIRMAN
10/3/2020

(H.M.MANJUNATHA)
MEMBER
10/2/2020

(M.V.RAVI)
MEMBER
10/3/2020