

**Karnataka Electricity Regulatory Commission,**  
**No.9/2, 6<sup>th</sup> & 7<sup>th</sup> Floor, Mahalaxmi Chambers, M.G. Road,**  
**Bangalore-560 001**

Dated 4<sup>th</sup> , August, 2015

**Present :**

- |                                  |          |
|----------------------------------|----------|
| 1. Sri. M.K. Shankaralinge Gowda | Chairman |
| 2. Sri H.D. Arun Kumar           | Member   |
| 3. Sri D.B. Manival Raju         | Member   |

**In the matter of Imposition of Renewable Purchase Obligation on Captive Co-generation plants using fuel other than renewable source for power generation**

**ORDER**

**I] Preamble:**

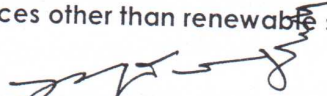
- 1) The Commission has issued KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, which came into effect from 01.04.2011.
- 2) The above said Regulations specify that every grid connected captive consumer consuming electricity from grid connected captive generating plant or plants having total capacity exceeding 5 MW using fuel other than renewable sources, shall purchase from renewable sources of energy, a minimum quantity of 5% of its consumption from captive source.
- 3) The above Regulations were also applicable to Captive Co-generation plants using fuel other than renewable source for power generation.
- 4) Meanwhile the Hon'ble Appellate Tribunal for Electricity [ATE] in appeal No: 57/2009 had passed orders on 26.04.2010 holding that fastening of the obligation on the consumers consuming electricity obtained from co-generation plants, to procure electricity from renewable energy sources would defeat the object of section 86 (1)(e) of the Electricity Act,

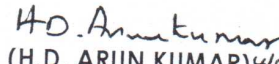
2003 and that, such plants should be treated at par with other renewable energy sources and is to be promoted irrespective of the nature of fuel used.

- 5) The above order was challenged by the Gujarat Electricity Regulatory Commission through a review petition before the Hon'ble ATE in RP No: 1311/2012. The Hon'ble ATE had dismissed the said review petition vide its order dated 17.04.2013. Further, Hon'ble ATE passed an order in appeal No: 125/2012 on 10.04.2013 upholding its earlier order to exempt co-generation plant from RPO obligation.
- 6) This Commission after deliberating on the above orders, in its 226<sup>th</sup> meeting, held on 08.05.2013 decided not to impose Renewable Purchase Obligation [RPO] on any person consuming electricity generated from co-generation power plants using fuel other than renewable sources.
- 7) Subsequently the question of correctness of the Rajasthan's Electricity Regulatory Commission's Regulations imposing RPO on captive consumers arose in Civil Appeal No. 4417/2015 before the Hon'ble Supreme Court. The Hon'ble Supreme Court has passed orders on 13.05.2015 upholding Regulations imposing obligation upon captive consumers and open access consumers to purchase electricity from renewable sources. Hence, the following order:

### ORDER

In the light of the order dated 13.05.2015 of the Hon'ble Supreme Court in the Civil Appeal No. 4417/2015, the Commission hereby decides to recall with immediate effect, its decision taken in the Commission's meeting held on 08.05.2013, not to impose Renewable Purchase Obligation [RPO] on captive consumers or open access consumers consuming electricity obtained from cogeneration plants using sources other than renewable sources for generation of electricity.

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(M.K. SHANKARALINGE GOWDA)  
CHAIRMAN

  
(H.D. ARUN KUMAR) 4/8  
MEMBER

  
(D.B. MANIVAL RAJU)  
MEMBER