

Y/04/2012/Vol-10

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION, BENGALURU

Dated : 11.10.2018

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 JK Cement Works Limited, Muddapur.

ORDERS

Preamble:

The Commission, based on the information furnished by the State Load Dispatch Center, had noted that the **JK Cement Works Limited, Muddapur [hereinafter referred to as 'the Company']**, had not complied with Solar RPO for FY-17 to an extent of **80.53 MWh** and Non-Solar RPO to an extent of **590.59 MWh** as mandated in the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011. Thus, as per the Regulations the company had to meet Solar RPO to an extent of **88.58MWh** (110% of shortage) and Non-Solar RPO to an extent of **649.65 MWh** (110% of shortage) through purchase of RECs. Hence, notice was issued on 01.012.2017 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.

Whereas, the Company had furnished its reply on 09.12.2017 stating that its Non-Solar RPO is 7047 MWh and solar RPO is 961 and that it has purchased Non-Solar energy of 5556 MWh and 1491 Non-solar RECS and that solar RPO could not be met due to suspension of solar REC trading by the Hon'ble Supreme Court. The Commission after examining the reply had noted that the input energy considered by the Company was 1,28,122 MWh which was different from that furnished by SLDC at 10737.97 MWh. Hence, a fresh notice was issued to the Company and SLDC to appear before the Commission on 05.07.2018, with relevant facts and figures to reconcile the RPO data.

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Whereas, the SLDC in its submissions made on 05.07.2018, stated that the Company has procured 10737.97 MWh of energy from IEX and hence, has to meet the RPO as stated earlier and that the consumption of 128122 MWh furnished by the Company includes Open Access consumption of 10737.97 MWh and captive consumption of 117384 MWh.

Whereas on 05.07.2018, **Shri Shridhar Prabhu**, Advocate undertook to appear for the Company, during the proceedings before the Commission. Hence, the Commission provided a final opportunity to the Company to appear before the Commission on **31.07.2018 at 3.00 PM**, with relevant facts and figures to justify its stand regarding RPO Compliance.

Whereas on 31.07.2018, **Shri Shridhar Prabhu**, Advocate appeared on behalf of the company and submitted the compliance report.

2. Perusal of the record submitted indicates that the company has **generated its own power to an extent of 158.461 MU and has consumed 114.188 MU net of auxiliary consumption and that the non-solar RPO of 6280 MWh is met by purchasing 6456 MWh of wind power and solar RPO of 856 MWh by purchase of 961 RECs. It is observed that the above compliance is submitted with respect to captive consumption, which is to be considered separately.**
3. In the present proceedings, the Commission has limited itself to the RPO compliance by the Company under OA. As such SLDC has confirmed **that under OA, the company has consumed 10737.97 MWh**, for which the solar and non-solar RPO would be **88.58MWh (110% of shortage) and 649.65 MWh (110% of shortage) respectively**. Further, the company has purchased **4631 solar RECs bearing S.No. PXI/30052018/SL/00011 on 30.05.2018. Thus, by setting off 89 Solar RECs out of the 4631 Solar RECs purchased, the company has met its solar RPO for FY17, for 10737.97 MWh energy purchased under OA. Similarly, by setting off 650 Non-Solar RECs out of the 104 non-solar RECs purchased on 29.06.2016 and 1491 non-solar RECs bearing S.No. PXI/26072017/NS/00031 purchased subsequently on 26.06.2017, the company has met its non-solar RPO for FY17 for 10737.97 MWh energy purchased under Open Access.**
4. On consideration of the above submissions made by the company and the SLDC and after verifying the documents submitted, the Commission notes that the



Company has met its Non-solar RPO of 649.65 MWh as per the Regulations for FY17 out of 1491 Non-Solar RECs bearing S.No. PXI/26072017/NS/00031 purchased on 26.06.2017 and 104 non solar RECs purchased on 29.06.2016. Further, in respect of Solar RPO, the company has met the solar RPO of 88.58 MWh for FY17 out of 4631 solar RECs bearing S.No. PXI/30052018/SL/00011 purchased on 30.05.2018 .

5. Hence, the following orders, -

ORDER

The Commission accepts the plea of the JK Cement Works Ltd., to consider purchase of 1491 [one thousand four hundred and ninety-one only] Non-Solar RECs bearing SI.No. PXI/26072017/NS/00031 on 26.06.2017 and 104 non-solar RECs on 29.06.2016 to meet its Non-Solar RPO for FY17 and 4631 solar RECs bearing S.No. PXI/30052018/SL/00011 on 30.05.2018, [Four thousand six hundred and thirty-one only] to meet its solar RPO for FY17. Further, keeping in view the Hon'ble Supreme Court's Order that had stayed the trading of RECs, the Commission hereby condones the delay in purchase of RECs by the Company, for complying with the RPO for FY17. Accordingly, for FY17, the Commission allows the Company to set off 650 [six hundred and fifty only] MWh [including the fractional MWh] out of 104 non-solar RECs purchased on 29.06.2016 and 1491 Non-solar RECs purchased on 26.06.2017 against its unmet Non-solar RPO and 89 [eighty-nine only] MWh [including the fractional MWh] Solar RECs out of 4631 RECs purchased against its unmet Solar RPO. Thus, 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.

20.11.18
(M.K. SHANKARALINGE GOWD) 11/11/18
CHAIRMAN
(H.D. ARUN KUMAR) 11/11/18
MEMBER
(D.B. MANIVAL RAJU)
MEMBER 11/10/18