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

**Dated: 30.03.2021**

**Present**

<b>Shri Shambhu Dayal Meena</b>	<b>: Chairman</b>
<b>Shri H.M. Manjunatha</b>	<b>: Member</b>
<b>Shri M.D. Ravi</b>	<b>: Member</b>

**No. Y/02/2016 (MSPL Limited)**

**O R D E R**

**Preamble:**

1. The Commission, based on the information furnished by the State Load Dispatch Center, had noted that MSPL, (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 2041.75 MWh of Non-Solar RPO and 935.80 MWh of Solar RPO. Thus, as per the Regulations, the Company had to comply with deficit in Non-solar RPO to an extent of 2245.93 MWh (110% of shortage) and Solar RPO to an extent of 1029.38 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 did not furnish any reply to the notice of the Commission and hence vide notice dated 16.08.2019 the Company, was

directed to appear before the Commission in person on 29.08.2019, with relevant facts and figures to substantiate the compliance of Solar and Non-Solar of RPO for FY18.

3. Whereas, Mr. Praveen Singhal, Vice President MSPL, appeared before the Commission and submitted its reply on 29.08.2019. In the reply it is submitted that RECs could not be purchased during FY18 due to various reasons including regulatory issues and the default was not intentional. Further, the Company requested time up to 26.12.2019 to comply with the RPO of solar of 1029.38 MWh and Non-Solar of 2245.93 MWh. The Commission on 29.08.2019 directed the Company to file an affidavit within three days and the matter was posted to be heard on 26.12.2019. The Commission noted that the Company did not submit the affidavit. Hence, the Commission vide notice dated 07.11.2019, directed the Company to appear before the Commission on 26.12.2019 with relevant documents to substantiate the compliance of Solar and Non-solar of RPO for FY18.
4. Whereas, the Company Representative Sri. Firoz Kanan, Manager, MSPL Limited appeared before the Commission on 26.12.2019 and submitted the written reply dated 24.12.2019 along with RE certificates for Solar and Non-Solar. The Commission directed the office to examine the replies submitted and the matter was posted for hearing on 06.02.2020.
5. Whereas, the Commission notes that, the Company in its reply dated 24.12.2019, has furnished the details for having purchased 91 solar RECs on 27.11.2019 bearing serial IEX No IEX\_0001708 against target of 1029.38 MWh

of solar (110% shortfall) and 2246 Non-Solar RECs purchased on 27.11.2019 bearing serial IEX No IEX\_0004132 against target of 2245.93 MWh of Non-Solar (110% shortfall). Thus, the Company has met the Non-solar RPO. Regarding the Solar RPO it is submitted by the Company that they were unable to meet the Solar RPO due to shortage of Solar REC in the market and requested the Commission to extend the time.

6. Whereas, the Manager, MSPL appeared before the Commission on 06.02.2020 and submitted that 25% of Solar RPO is complied with and requested two months' time to comply with the balance solar RPO, which was granted by the Commission. The Commission posted the matter for hearing on 07.04.2020. However, hearing could not be conducted on the above date due to the prevailing Covid-19 pandemic.
7. Whereas, the Commission based on the written submissions made on 06.02.2020, noted that, the Company has fulfilled the Non-Solar RPO and has fulfilled Solar RPO to an extent of 262 MWh (91 RECs purchased on 27.11.2019 bearing Serial IEX No IEX\_0001708, 105 RECs purchased on 26.12.2019 bearing Serial IEX No IEX\_0001813 and 66 RECs purchased on 29.01.2020 bearing Serial No IEX\_0001879), resulting in short fall of Solar RPO by 767.38 MWh.
8. The Company did not furnish any details regarding the purchase of RECs to meet the balance Solar RPO. Hence, the Commission decided to give a final opportunity to the Company and vide notice dated 18.08.2020,

directed the Company to appear in person on 25.08.2020 and submit the replies in the matter.

9. The Commission heard the case through video conferencing on 25.08.2020. The Company representative Mr. Kanan, Manager, MSPL Limited was present and made oral submissions stating that, they have sent a compliance report on 21.08.2020, showing its intention of complying with RPO.

10. Whereas, the Commission, after scrutinizing the report, noted that the Company has purchased the solar RECs of 2348 MWh (91 RECs purchased on 27.11.2019 bearing Serial IEX No IEX\_0001708, 105 RECs purchased on 26.12.2019 bearing Serial IEX No IEX\_0001813, 66 RECs purchased on 29.01.2020 bearing Serial No IEX\_0001879 and 2086 RECs purchased on 26.02.2020 bearing Serial No IEX\_0003965), against 1029.38 MWh Solar (110% of shortfall). The additional solar RECs have been purchased within the time extended by the Commission to comply with solar RPO. Therefore, the Company has fulfilled the Non-Solar RPO for FY18 as well as solar RPO for FY18.

11. Hence, the following order: -

### **ORDER**

12. The Commission notes that, as per the written submissions made on 21.08.2020 and 06.02.2020, by the MSPL Limited, the Company has met the Solar and Non-solar RPO for FY18 as per the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, as amended from time to

time. The Commission, after scrutinizing the report, notes that the Company has purchased the solar RECs of 2348 MWh (91 RECs purchased on 27.11.2019 bearing Serial IEX No IEX\_0001708, 105 RECs purchased on 26.12.2019 bearing Serial IEX No IEX\_0001813, 66 RECs purchased on 29.01.2020 bearing Serial No IEX\_0001879 and 2086 RECs purchased on 26.02.2020 bearing Serial No IEX\_0003965) against the target of 1029.38 MWh Solar (110% of shortfall) and has purchased 3249 MWh (2246 REC purchased on 27.11.2020 bearing Serial No IEX\_0004132 and 1003 RECs purchased on 26.12.2019 bearing Serial No IEX\_0005135) Non-Solar RECs against 2245.93 MWh. Hence, the Company has fulfilled the Non-Solar RPO for FY18 as well as solar RPO for FY18. The Commission hereby treats the proceedings initiated against the Company, as closed.

Sd/-  
(SHAMBHU DAYAL MEENA)  
CHAIRMAN

Sd/-  
(H.M. MANJUNATHA)  
MEMBER

Sd/-  
(M.D. RAVI)  
MEMBER