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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 (South Western Railway)**

**ORDER**

**Preamble:**

1. The Commission, based on the information furnished by the State Load Dispatch Centre, had noted that South Western Railway, (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 1973.11 MWh of Non-Solar RPO and 904.34 MWh of Solar RPO. Thus, as per the Regulations, the Company had to comply with deficit in Non-solar RPO to an extent of 2170.42 MWh (110% of shortage) and Solar RPO to an extent of 994.78 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. Since, the Company did not respond to the above notice, the Company was

directed to appear before the Commission on 29.08.2019 by issuing a notice on 16.08.2019.

2. Whereas, the SWR neither furnished any reply to the above notice of the Commission nor appeared before the Commission. Therefore, one more notice was served on 17.09.2019, directing the Company to appear before the Commission, on 15.10.2019, with relevant facts and figures to substantiate the compliance of Solar and Non-Solar of RPO for FY18.
3. Whereas, the representative of the Company appeared before the Commission on 15.10.2019 and submitted the reply. The Company apologising for not replying to the earlier notices, submitted that open access power procurement was a new concept in railways and there were no pre-defined powers for making decisions on open access, necessitating consultation with higher ups regarding policy decisions. Therefore, there was a delay in submitting the data. It was also informed that railways have taken up solar and wind generation and also have called tendres for 17 MW hybrid (solar and non-solar) power. In view of the above, the Company requested the Commission to defer RPO targets for a period of three years and that it would comply with RPO for FY18 and FY19 in 2021.
4. Whereas, the Commission issued another notice on 19.11.2019, observing that, granting of 3 years' time is not permissible as per the Regulations. The RPO for FY18 should have been complied within the time stipulated in the Regulations. However, considering the administrative difficulties expressed by the Company, the Commission directed the Company to purchase the

RE certificates to the extent of short fall, including the penalty and also get the solar Generation data validated by SLDC for the total Solar Energy consumed in FY18. The Commission directed the Company to appear in person on 26.12.2019 with relevant facts and figures to substantiate the compliance of solar and Non-solar RPO for FY18.

5. Whereas, the Company Representative Sri Gurang Gupta Divisional Manager (Traction Distribution), Bangalore Division appeared before the Commission on 26.12.2019 and filed an affidavit, submitting that SWR is in the process of procuring REC to the extent of shortfall and sought two months' time to comply the RPO and the Commission granted two months' time till 06.02.2020 to submit the documents.
6. Whereas, the Advocate for the Company filed vakalatnama and memo and an affidavit on 06.02.2020 sworn by Senior Divisional Electrical Engineer (traction distribution), Bangalore. In the affidavit it is submitted that the SWR participated in IEX to procure RECs on 29.01.2020 and was unable to obtain the required number of RECs, showing its intention to comply with RPO. Therefore, the Company requested to extend time for further two months. The Commission posted the next hearing on 07.04.2020. However, the hearing could not be conducted due to the prevailing Covid-19 pandemic.
7. Meanwhile, the Company, vide letter dated 01.09.2020 submitted the copies of RECs purchased. The Commission after securitizing the documents, observed that, the Company has purchased 3015 MWh (3000

Solar RECs purchased on 20.06.2020 bearing Serial No IEX\_0003015 and 15 Solar RECs purchased on 29.01.2020 bearing Serial No IEX\_0000015) against the target of 994.78 MWh of solar RPO (110% of shortfall) and 1974 MWh (1974 Non-Solar RECs purchased on 26.02.2020 bearing Serial No IEX\_0001974) against 2170.42 MWh of Non-Solar RPO (110% of shortfall). Thus, the Company has purchased excess solar of 2020.22 MWh and there is a shortfall of 196.42 MWh in complying with Non-solar RPO.

8. As per regulations, if the Company having achieved compliance of Non-solar RPO to an extent of 85%, shall be permitted to meet the shortfall by excess solar energy or RECs purchased beyond the specified solar RPO for that relevant year.
9. In view of the above the Company has purchased 1974 MWh RECs (against 2170.42MWh) which is more than the 85% of Non-Solar Certificates ( $2170.42 \times 0.85 = 1844.857$ ). Hence, in terms of the Regulations, the shortfall of non-solar RPO to the extent of 196.42 MWh is set off against the available surplus solar RECs. Therefore, the company has met both solar and Non-Solar RPO for FY18.
10. Hence, the following orders: -

### **ORDER**

11. The Commission notes that, as per the written submissions made by the South Western Railways on 01.09.2020, 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

Company has purchased 3015 MWh (3000 Solar RECs purchased on 20.06.2020 bearing Serial No IEX\_0003015 and 15 Solar RECs purchased on 29.01.2020 bearing Serial No IEX\_0000015) against the target of 994.78 MWh of solar RPO (110% of shortfall) and 1974 MWh (1974 Non-Solar RECs purchased on 26.02.2020 bearing Serial No IEX\_0001974) against 2170.42 MWh of Non-Solar RPO (110% of shortfall). As per regulations, if the Company having achieved compliance of Non-solar RPO to an extent of 85%, shall be permitted to meet the shortfall by excess solar energy or RECs purchased beyond the specified solar RPO for that relevant year. In view of the above the Company has purchased 1974 MWh RECs (against 2170.42MWh) which is more than the 85% of Non-Solar Certificates ( $2170.42 \times 0.85 = 1844.857$ ). Hence, in terms of the Regulations, the shortfall of non-solar RPO to the extent of 196.42 MWh is set off against the available surplus solar RECs. Therefore, the company has met both solar and Non-Solar RPO for FY18.

12. In view of the above, 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