

KARNATAKA ELECTRICITY REGULATORY COMMISSION**No. 16 C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru-560 052****Notification No. Y/01/22/462, dated 12.07.2022****KERC (Procurement of Energy from Renewable Sources) (Eighth Amendment) Regulations, 2022****Preamble**

1. In exercise of the powers conferred under clause (e) of sub-section (1) of Section 86 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all the other powers enabling it in this behalf, the Commission has notified the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources), Regulations, 2011, as amended from time to time. The Commission in the sixth amendment to the above Regulations has specified Renewable Purchase Obligation (RPO) trajectory till the year 2021-22. As there was a need to specify the RPO trajectory for compliance by the distribution licensees and other obligated entities in the State for the period beyond 2021-22, the Commission, had issued draft amendment to the Regulations referred above, to modify and specify the RPO trajectory for the obligated entities in the State. The draft of the proposed amendments was notified for information of all the persons likely to be affected and Notice was published in Deccan Herald, Times of India, Samyuktha Karnataka and Vijay Karnataka Newspapers on 23.04.2022, inviting from the stakeholders and interested persons, objections / suggestions / views on the proposed draft, within twenty-one days from the date of publication of Notice and was also hosted on the Commission's website. Subsequently, the Commission held the public hearing in the matter on 20.05.2022, duly publishing the notices in The Hindu, Times of India, Prajavani and Vijay Karnataka newspapers. The Public hearing notice was also hosted on the Commission's website.
2. After considering the objections / suggestions / views of the stakeholders and interested persons, the Commission has decided as follows:
 - a. Keeping in view the availability and tariff of Non-Solar RE sources vis.a.vis the Solar, it is decided not to have separate solar and Non-solar RPO;
 - b. To specify for captive/ Open Access Consumers the RPO same as that of the area distribution licensee, in which the captive/ Open Access Consumers are located;
 - c. To drop HPO, keeping in view that no new hydro projects are coming up in the State in the near future; and

d. To fix the control period for three years and RPO for further period thereon to be taken up after the GoI notifies the RPO trajectory at the National level.

3. In the light of the above, the Commission hereby notifies the following Regulations:

Regulations

1. Short Title, Application and Commencement, –

- (i) These Regulations shall be called the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (Eighth Amendment) Regulations, 2022.
- (ii) These Regulations shall extend to the whole of the State of Karnataka.
- (iii) These Regulations shall come into force from 01.04.2022

2. In the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources), 2011, in Regulation 4, Clauses 4(i), 4(ii) and 4(iii) as at column (1) of the Table below, shall be substituted as indicated in column (2,) namely, -

1 Existing Regulations	2 Amended Regulations																																																																																																																		
<p>4(i) Every Distribution Licensee shall purchase a minimum quantity of electricity from renewable sources of energy, expressed as a percentage of its total procurement, excluding the procurement from hydro power during a financial year, as specified below:</p> <p>(a) Non-Solar RPO</p> <table border="1"> <thead> <tr> <th rowspan="2">Non-Solar RPO</th> <th colspan="4">Year wise</th> </tr> <tr> <th>2015-16</th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>DISTRIBUTION LICENSEE</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>BESCOM</td> <td>10%</td> <td>11%</td> <td>12.00%</td> <td>12.00%</td> </tr> <tr> <td>MESCOM</td> <td>10%</td> <td>11%</td> <td>12.00%</td> <td>13.00%</td> </tr> <tr> <td>CESC</td> <td>10%</td> <td>11%</td> <td>11.00%</td> <td>12.00%</td> </tr> <tr> <td>HESCOM</td> <td>7%</td> <td>7.5%</td> <td>8.50%</td> <td>9.50%</td> </tr> <tr> <td>GESCOM</td> <td>5.0%</td> <td>5.50%</td> <td>6.00%</td> <td>7.00%</td> </tr> <tr> <td>HRECS</td> <td>7%</td> <td>7.5%</td> <td>8.50%</td> <td>9.50%</td> </tr> <tr> <td>DEEMED LICENSEE(s)</td> <td colspan="4">RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>DISTRIBUTION LICENSEE</th> <th>2019-20</th> <th>2020-21</th> <th>2021-22</th> <th>2022-23 and onwards</th> </tr> </thead> <tbody> <tr> <td>BESCOM</td> <td>12.00%</td> <td>12.00%</td> <td>12.00%</td> <td rowspan="6">To be determined</td> </tr> <tr> <td>MESCOM</td> <td>13.00%</td> <td>13.00%</td> <td>13.00%</td> </tr> <tr> <td>CESC</td> <td>12.00%</td> <td>12.00%</td> <td>12.00%</td> </tr> <tr> <td>HESCOM</td> <td>11.00%</td> <td>11.00%</td> <td>11.00%</td> </tr> <tr> <td>GESCOM</td> <td>8.00%</td> <td>8.00%</td> <td>8.00%</td> </tr> <tr> <td>HRECS</td> <td>11.00%</td> <td>11.00%</td> <td>11.00%</td> </tr> <tr> <td>DEEMED LICENSEE(s)</td> <td colspan="4">RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.</td> </tr> </tbody> </table>	Non-Solar RPO	Year wise				2015-16	2016-17	2017-18	2018-19	DISTRIBUTION LICENSEE					BESCOM	10%	11%	12.00%	12.00%	MESCOM	10%	11%	12.00%	13.00%	CESC	10%	11%	11.00%	12.00%	HESCOM	7%	7.5%	8.50%	9.50%	GESCOM	5.0%	5.50%	6.00%	7.00%	HRECS	7%	7.5%	8.50%	9.50%	DEEMED LICENSEE(s)	RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.				DISTRIBUTION LICENSEE	2019-20	2020-21	2021-22	2022-23 and onwards	BESCOM	12.00%	12.00%	12.00%	To be determined	MESCOM	13.00%	13.00%	13.00%	CESC	12.00%	12.00%	12.00%	HESCOM	11.00%	11.00%	11.00%	GESCOM	8.00%	8.00%	8.00%	HRECS	11.00%	11.00%	11.00%	DEEMED LICENSEE(s)	RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.				<p>4(i) Every Distribution Licensee shall purchase a minimum quantity of electricity from renewable sources of energy, irrespective of Solar or Non-Solar, expressed as a percentage of its total procurement, excluding the procurement from hydro power during a financial year, as specified below from FY2022-23 onwards:</p> <table border="1"> <thead> <tr> <th>ESCOMs</th> <th>BESCOM</th> <th>MESCOM</th> <th>CESC</th> <th>HESCOM</th> <th>GESCOM</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>23.75%</td> <td>25.00%</td> <td>22.50%</td> <td>22.50%</td> <td>20.50%</td> </tr> <tr> <td>2023-24</td> <td>25.25%</td> <td>26.50%</td> <td>24.00%</td> <td>24.00%</td> <td>22.00%</td> </tr> <tr> <td>2024-25</td> <td>26.75%</td> <td>28.00%</td> <td>25.50%</td> <td>25.50%</td> <td>23.50%</td> </tr> <tr> <td>HRECS and DEEMED LICENSEE(s)</td> <td colspan="5">RPO target shall be same as that of the ESCOM where the HRECS / deemed Licensee(s) is situated.</td> </tr> </tbody> </table> <p>Provided that the RPO targets and the conditions specified in KERC (Power Procurement from Renewable Sources by Distribution Licensee and Renewable Energy Certificate Framework) Regulations, 2011, as amended from time to time, shall apply for the period prior to Year 2022-23.</p>	ESCOMs	BESCOM	MESCOM	CESC	HESCOM	GESCOM	2022-23	23.75%	25.00%	22.50%	22.50%	20.50%	2023-24	25.25%	26.50%	24.00%	24.00%	22.00%	2024-25	26.75%	28.00%	25.50%	25.50%	23.50%	HRECS and DEEMED LICENSEE(s)	RPO target shall be same as that of the ESCOM where the HRECS / deemed Licensee(s) is situated.				
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(b) Solar RPO

DISTRIBUTION LICENSEE	Year wise			
	2015-16	2016-17	2017-18	2018-19
BESCOM	0.25%	0.75%	2.75%	6.00%
MESCOM	0.25%	0.75%	2.75%	6.00%
CEFC	0.25%	0.75%	2.75%	6.00%
HESCOM	0.25%	0.75%	2.75%	6.00%
GESCOM	0.25%	0.75%	2.75%	6.00%
HRECS	0.25%	0.75%	2.75%	6.00%
DEEMED LICENSEE(s)	0%	0.75%	2.75%	6.00%

DISTRIBUTION LICENSEE	2019-20	2020-21	2021-22	2022-23 and onwards
BESCOM	7.25%	8.50%	10.50%	To be determined
MESCOM	7.25%	8.50%	10.50%	
CEFC	7.25%	8.50%	10.50%	
HESCOM	7.25%	8.50%	10.50%	
GESCOM	7.25%	8.50%	10.50%	
HRECS	7.25%	8.50%	10.50%	
DEEMED LICENSEE(s)	RPO target shall be same as that of the ESCOM where the deemed Licensee(s) is situated.			

Provided that, the HRECS and deemed Licensee(s), procuring bulk power, partly or wholly, from the ESCOM(s), shall be deemed to have complied with the RPO to the extent of such procurement from the ESCOM(s) if, such ESCOM(s) has/have complied with the RPO. In such cases, the concerned ESCOM(s) shall submit a copy of the quarterly RPO compliance report to the HRECS or such deemed licensee(s), as the case may be.

Provided further that, the HRECS and the deemed Licensee(s), procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have not complied with the RPO to the extent of such procurement from the ESCOM(s) if, such ESCOM(s) have not complied with the RPO. In such cases, the onus of meeting the RPO shall be that of the HRECS or such deemed licensee(s), as the case may be.

Provided also that, any distribution licensee failing to achieve the specified Non-Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such Non-solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Solar

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Provided further that, the HRECS and the deemed Licensee(s), procuring bulk power, partly or wholly, from the ESCOM(s) shall be deemed to have not complied with the RPO to the extent of such procurement from the ESCOM(s) if, such ESCOM(s) have not complied with the RPO. In such cases, the onus of meeting the RPO shall be that of the HRECS or such deemed licensee(s), as the case may be.

Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.

energy or Solar RECs purchased beyond the specified Solar RPO for that relevant year.

Provided also that, any distribution licensee failing to achieve the specified Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy or Non-Solar RECs purchased beyond the specified Non-Solar RPO for that relevant year.

Explanation:

The exclusion of hydro power from the total procurement of energy shall be applicable from the year 2017-18 and onwards and such hydro power, shall not include energy procured from Mini-Hydel sources.

Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.

Explanation:

The exclusion of hydro power from the total procurement of energy shall be applicable from the year 2017-18 and onwards and such hydro power, shall not include energy procured from Mini-Hydel sources.

4(ii) Every Grid Connected Captive consumer, specified in clause 3(ii) above, shall purchase/procure a minimum quantity of its consumption of energy from captive sources, during a financial year, from renewable sources of energy, as specified below:

Source	2015-16	2016-17	2017-18	2018-19
NON-SOLAR	5.0%	5.5%	6%	7.0%
SOLAR	0%	0.75%	2.75%	6.00%

Source	2019-20	2020-21	2021-22	2022-23 and onwards
NON-SOLAR	10.25%	10.25%	10.50%	To be determined
SOLAR	7.25%	8.50%	10.50%	To be determined

4(ii) Every Grid Connected Captive consumer, specified in clause 3(ii) above, shall purchase/procure a minimum quantity of its consumption of energy from captive sources, during a financial year, from renewable sources of energy, irrespective of Solar or Non-Solar, from FY2022-23 onwards as specified below:

ESCOMs	BESCOM Area	MESCOM Area	CESC Area	HESCO M Area	GESCOM Area
2022-23	23.75%	25.00%	22.50%	22.50%	20.50%
2023-24	25.25%	26.50%	24.00%	24.00%	22.00%
2024-25	26.75%	28.00%	25.50%	25.50%	23.50%
HRECS and DEEMED LICENSEE(s)	RPO target shall be same as that of the ESCOM area where the HRECS / deemed Licensee(s) is situated.				

Provided that the RPO targets and the conditions specified in KERC (Power Procurement from Renewable Sources by Distribution Licensee and Renewable Energy certificate Framework) Regulations, 2011, as amended from time to time, shall apply for the period prior to Year 2022-23.

Provided that, in the case of consumers being units of a single legal entity but, located in more than one place within Karnataka State, the combined RPO of all such units within the Karnataka State, shall be reckoned for the purpose of meeting the RPO, specified above.

Provided further that, any Grid Connected Captive consumer, failing to achieve the specified Non-Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such Non- Solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Solar energy or Solar RECs purchased/procured beyond the specified Solar RPO for that relevant year.

Provided also that, any Grid Connected Captive consumer, failing to achieve the specified Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such Solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy or Non-Solar RECs purchased/procured beyond the specified Non-Solar RPO for that relevant year.

4(iii) Every Open Access Consumer, specified in Clause 3(iii) above, shall purchase a minimum quantity of its consumption through Open Access sources, during a financial year, from renewable sources of energy, as specified below:

Source	2015-16	2016-17	2017-18	2018-19
NON-SOLAR	5.0%	5.5%	6%	7.0%
SOLAR	0%	0.75%	2.75%	6.00%

Source	2019-20	2020-21	2021-22	2022-23 and onwards
NON-SOLAR	10.25%	10.25%	10.50%	To be determined
SOLAR	7.25%	8.50%	10.50%	

Provided that, in the case of consumers being units of a single legal entity but, located in more than one place within Karnataka State, the combined RPO of all such units within the Karnataka State, shall be reckoned for the purpose of meeting the RPO, specified above.

Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.

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4(iii) Every Open Access Consumer, specified in Clause 3(iii) above, shall purchase a minimum quantity of its consumption through Open Access sources, during a financial year, from renewable sources of energy, irrespective of Solar or Non-Solar, from FY2022-23 onwards as specified below:

ESCOMs	BESCOM Area	MESCOM Area	CESC Area	HESCO M Area	GESCO M Area
2022-23	23.75%	25.00%	22.50%	22.50%	20.50%
2023-24	25.25%	26.50%	24.00%	24.00%	22.00%
2024-25	26.75%	28.00%	25.50%	25.50%	23.50%
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<p>Provided that, in the case of consumers being units of a single legal entity but, located in more than one place within the State of Karnataka, the combined RPO of all such units, within the State of Karnataka, shall be reckoned for the purpose of meeting the RPO specified above.</p> <p>Provided further that, any Open Access Consumer, failing to achieve the specified Non-Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such Non-Solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Solar energy or Solar RECs purchased beyond the specified Solar RPO for that relevant year.</p> <p>Provided also that, any Open Access Consumer, failing to achieve the specified Solar RPO or any part thereof, for the relevant year, within the time specified but, having achieved compliance of such Solar RPO to the extent of 85%, shall be permitted to meet the shortfall by excess Non-Solar energy or Non-Solar RECs purchased beyond the specified Non-Solar RPO for that relevant year.</p>	<p>Renewable Sources by Distribution Licensee and Renewable Energy Certificate Framework) Regulations, 2011, as amended from time to time, shall apply for the period prior to Year 2022-23.</p> <p>Provided that, in the case of consumers being units of a single legal entity but, located in more than one place within the State of Karnataka, the combined RPO of all such units, within the State of Karnataka, shall be reckoned for the purpose of meeting the RPO specified above.</p> <p>Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.</p> <p>Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.</p>
<p>First Proviso to Regulation (5)</p> <p>Provided that the Solar RPO of the obligated entity shall be fulfilled by purchase of Solar RECs or consumption of electricity from its own Solar Power Plant.</p>	<p>Proviso deleted consequent to specifying single RPO, irrespective of solar or Non-solar.</p>

By Approval of the Commission

Secretary
Karnataka Electricity Regulatory Commission