

ORDER

JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA AND UNION TERRITORIES GURUGRAM

Coram

Shri M.K. Goel, Chairperson
Smt. Neerja Mathur, Member

Suo-Moto Petition No. 15/2019
Date of Hearing: 04.12.2019
Date of Order: 06.12.2019

In the matter of:

Compliance of Joint Electricity Regulatory Commission (for the State of Goa and Union Territories) (Procurement of Renewable Energy) Regulations, 2016 (Third Amendment) regarding Renewable Purchase Obligation (RPO).

And in the matter of:

- 1) Managing Director, DNHPDCL, UT of Dadra and Nagar Haveli
- 2) Secretary (Power), UT of Daman & Diu..... Respondents

Present

For the Respondent

1. Shri C.A. Parmar, Chief Engineer (Elect), DNHPDCL
2. Shri Pawan Kumar Mishra, Chief Financial Officer, DNHPCL
3. Shri R.B. Chaubal, Asstt Engineer, DNHPDCL
4. Shri D.M. Solanki, Asstt. Engineer, Electricity Department, Daman& Diu

INTERIM ORDER

The Commission has been conducting Suo-moto hearings in the matter of compliance of the Renewable Purchase Obligation (RPO) by the State of Goa & Union Territories. In continuation to the stated Suo-moto proceedings, the present hearing is held Suo-moto after observing the dismal performance of DNHPDCL and UT of Daman and Diu regarding compliance of Commission's earlier Order dated 02.08.2019 wherein the Commission has given specific directions to both the above mentioned UTs to make good the total shortfall upto FY 2018-19 within the stipulated period along with the targets for FY 2019-20 and ensure 100% compliance of RPO targets as notified by the Commission from time to time.

Shri C.A. Parmar, Chief Engineer (Elect), DNHPDCL, UT of Dadra & Nagar Haveli filed an affidavit regarding RPO compliance up to 30.11.2019 for FY 2019-20. The same is taken on record. He has also filed, after the hearing, an assurance to meet the total target fixed by the Commission vide its Order dated 02.08.2019. The same is also taken on record.

Shri M.R. Ingle, Executive Engineer, Electricity Department, Daman & Diu also filed the RPO compliance for FY 2019-20 (upto Sept., 2019 including backlog along with action plan for the next two quarters i.e. upto March 31, 2020). The same is taken on record.

The Commission heard the representatives of DNHPDCL and Electricity Department, UT of Daman & Diu at length.

1. Dadra & Nagar Haveli Power Distribution Corporation Limited, UT of Dadra & Nagar Haveli

Shri C.A. Parmar, Chief Engineer, Dadra & Nagar Haveli Power Distribution Corporation Limited, UT of Dadra & Nagar Haveli submitted the current status of RPO as on 31.03.2020 as under: -

Particulars	Sales within UT (MUs)	Solar RPO	Non – Solar RPO	Total RPO
RPO backlog till 31.03.2018		209.79	377.81	587.60
Add: Obligation for FY 2018-19	6072.42	218.61	327.91	546.52
Total RPO Obligation		428.40	705.72	1134.12
Less: RPO Met in FY 2018-19		344.48	10.00	354.48
RPO backlog till 31.03.2019		83.92	695.72	779.64
RPO Target for FY 2019-20		295.95	428.19	724.14
Total RPO Target to be met (Including Backlog) By 31.03.2020		379.90	1123.91	1503.82

Shri Parmar further submitted that the availability of non solar REC is hardly 50% against the market demand and the settlement ratio is hardly 43% against the market demand. DNHPDCL has purchased 261.69 MUs non solar RECs against the non-solar backlog of 695.72.

Shri Parmar further submitted that presently non solar REC is being traded approximately 80% above the CERC notified floor price of Rs 1000/-. This is also a matter of great concern from the point of view of any Distribution Utility as this is resulting in unwanted price increase required to be shelled out from consumers.

Shri Parmar further submitted that availability of solar REC is hardly 21% against the market demand and the settlement ratio is hardly 13% against the market demand. It is also worthwhile to mention that presently solar RECs are being traded approx. 140% above the CERC notified floor price of Rs 1000. Shri Parmar further submitted that they are making adequate efforts for meeting the RPO Obligations.

RAKESH KUMAR
SECRETARY
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Sector-18, Gurugram-122015 (Haryana)

According to Joint Electricity Regulatory Commission for the State of Goa & Union Territories (Procurement of Renewable Energy) Regulations, 3rd Amendment Regulations, 2016 the Dadra & Nagar Haveli Power Distribution Corporation Limited was directed to purchase 11.5% electricity from renewable energy sources out of the total consumption of all the consumers in its area in FY 2019-20. This amounts to 724.14 MUs during the FY 2019-20.

The Commission has carefully examined the affidavit and monthly reports submitted by DNHPDCL. The Commission observed that the total backlog (MUs) till FY 2018-19 is 779.64 MUs and the total current RPO target for FY 2019-20 is 724.14 MUs. Thus, the total target including backlog to be achieved by DNHPDCL by March 2020 is 1503.82 MUs. The Commission has noted that DNHPDCL has achieved only 265 MUs till 31.11.2019. Thus, shortfall in RPOs compliance for FY 2019-20 is approximately 1238.82 MUs. This appears to be a big target to be achieved by DNHPDCL in about four months time. The Commission is very much concerned about the present status of RPO compliance. However, Shri Parmar has assured the Commission that in order to achieve the total target of RPO compliance fixed by the Commission in its Order dated 02.08.2019 DNHPDCL will have to go for an aggressive bidding for the procurement of solar and non solar Renewable Energy Certificates by increasing the number of certificates and quoting higher price to meet the target within the stipulated period.

In view of the above, the Commission reiterates its earlier Order dated 02.08.2019 wherein it has directed DNHPDCL to make good the cumulative shortfall in RPO compliance up to FY 2019-20 preferably by procuring physical renewable power. In case of non-availability of physical renewable power RECs should be purchased from Power Exchange by bidding sensibly to achieve its targets. The Commission had further advised them to bid sensibly and to purchase RECs phase wise in all four quarters of the FY 2019-20 to avoid purchase RECs in the last quarter at a higher price.

The Commission further directs DNHPDCL to do the bidding sensibly in every remaining month of the FY 2019-20 and regularly inform the Commission about the purchase of RECs from Power Exchange and submit revised action plan on affidavit within a week. In case of non-compliance of Commission's order dated 02.08.2019 the Commission would be constrained to initiate appropriate legal action against DNHPDCL.

2. Electricity Department, UT of Daman & Diu

Shri D.M. Solanki, Asstt. Engineer, Electricity Department, Daman & Diu submitted that the cumulative compliance target of purchase of electricity for renewable sources FY 2019-20 is 573.6 MUs wherein solar RPOs are 241.6 MUs and non-solar RPOs 332.0MUs. Against this target, they have purchased physical solar power 9.8 MUs and Solar Renewable Energy Certificates of 0.75 MUs and non-solar physical power of 10.2 MUs and non-solar Renewable Energy Certificates of 21.5 MUs. Thus, cumulative shortfall in RPO Compliance as on 30.09.2019 is 531.3 MUs (231.0 MUs solar RPOs and 300.3 MUs non solar RPOs).

Shri Solanki further submitted that RECs could not be obtained at quoted price on submission of their bid in the Power Exchange.

The Commission has examined the compliance report submitted by Electricity Department, UT of Daman & Diu. The Commission is extremely concerned and unhappy with the dismal performance of the Electricity Department, UT of Daman & Diu. The UT has failed to exhibit any seriousness on their part to indicate firm action plan to meet this huge shortfall in RPO targets by way of either RECs or purchase of physical power. In the case of UT of Daman & Diu also, the Commission had given very clear specific directions that in case physical renewable power is not available then REC should be purchased phase wise in all four quarters of FY 2019-20 by bidding sensibly to avoid purchase at higher price in the last quarter of FY 2019-20. The Commission further directed them to make good this total shortfall up to FY 2018-19 within the stipulated period along with the targets of FY 2019-20 and ensure 100% compliance of RPO as notified by the Commission from time to time. However, seeing this dismal performance of the UT of Daman & Diu it is clear that they have not taken the directions of the Commission seriously.

In view of the above, the Commission reiterates its earlier Order wherein it has directed Electricity Department, UT of Daman & Diu to bid sensibly and to purchase RECs phase wise in all four quarters. The Commission further directs that in the remaining months of FY 2019-20 they bid sensibly in a manner where they would be able to purchase the requisite number of RECs to achieve the target fixed by the Commission in its order dated 02.08.2019 failing which the Commission would be constrained to take appropriate legal action against it.

The Commission further directs to the Electricity Department, UT of Daman & Diu to send action plan for full RPO compliance on affidavit within a week.

Ordered accordingly.

Sd/-
(NEERJA MATHUR)
MEMBER

Sd/-
(M.K.GOEL)
CHAIRPERSON

(Certified Copy)

R.Kumar
6/12/2019
(Rakesh Kumar)

Secretary
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