

**DRAFT DELHI ELECTRICITY REGULATORY COMMISSION
(RENEWABLE PURCHASE OBLIGATION AND RENEWABLE ENERGY CERTIFICATE
FRAMEWORK IMPLEMENTATION) REGULATIONS, 2017**

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NOTIFICATION

New Delhi,....., 2017

DELHI ELECTRICITY REGULATORY COMMISSION (RENEWABLE PURCHASE OBLIGATION AND RENEWABLE ENERGY CERTIFICATE FRAMEWORK IMPLEMENTATION) REGULATIONS, 2017

No. In exercise of powers conferred under Section 181 read with Sections 66 and 86(1)(e) of the Electricity Act, 2003, the Delhi Electricity Regulatory Commission after previous publication hereby makes the following Regulations for the Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation:

PART 1
PRELIMINARY

1. SHORT TITLE, COMMENCEMENT AND EXTENT

- (1) These Regulations may be called the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2017.
- (2) These Regulations shall come into force from the date of their publication in the Delhi Gazette.
- (3) These Regulations shall extend to whole of National Capital Territory of Delhi.
- (4) These Regulations shall apply to all the obligated entities including:
 - (i) Distribution Licensee operating in the National Capital Territory of Delhi;
 - (ii) Any Captive user who consumes electricity generated from captive generating plant;
 - (iii) Any Open Access Consumer who consumes electricity under open access as per Section 42 (2) of the Act.

2. Definitions

In these regulations, unless the context otherwise requires,

- (1) "Act" means the Electricity Act, 2003 (Act No. 36 of 2003) and subsequent amendment(s) thereof;
- (2) "Area of Supply" means the area within which a Distribution Licensee is authorized by his Licence to supply electricity;

- (3) "Captive user" shall mean the end user of electricity generated in a Captive Generating Plant;
- (4) "Central Agency" means the agency, as the Central Commission may designate from time to time, under Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time;
- (5) "Central Commission" means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- (6) "Certificate" means the Renewable Energy Certificate (REC) issued by the Central Agency in accordance with the procedures prescribed under the provisions specified in the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time;
- (7) "Commission" means the Delhi Electricity Regulatory Commission as referred in subsection (1) of section 82 of the Act;
- (8) "Distribution Licensee" means a Licensee authorised to operate and maintain a Distribution system for supplying electricity to the consumers in his area of supply;
- (9) "Inter-connection point" shall mean the interface point of the Renewable Energy Project with the transmission system or distribution system as the case may be;
- (10) "Floor price" means the minimum price as determined by the Central Commission in accordance with Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, as amended from time to time at and above which the certificate can be dealt in the power exchange;
- (11) "Forbearance Price" means the ceiling price as determined by the Central Commission in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable energy Certificate for Renewable Energy Generation) Regulations 2010 as amended from time to time within which only the certificates can be dealt in the power exchange;
- (12) "MNRE" means the Ministry of New and Renewable Energy, Government of India;
- (13) "Obligated Entity" means the distribution licensee, Captive user, Open Access Consumer or any other entity in the National Capital Territory of Delhi, which is mandated to fulfill

- Renewable Purchase Obligation as may be notified by the Commission from time to time;
- (14) "Open access consumer" means a consumer permitted to receive supply of electricity from a person, other than distribution licensee of his area of supply, as per DERC (Terms and Conditions for Open Access) Regulations and Orders as amended from time to time;
- (15) "Person" shall have the same meaning as defined under sub section (49) of Section 2 of the Act;
- (16) "Power Exchange" means power exchange which operates with the approval of the Central Commission;
- (17) "Tariff" means the tariff fixed by the Commission for generation from various renewable energy sources after considering capital subsidies/Generation Based Incentive (GBI)/Carbon Credits, etc. under Section 62 or adopted under Section 63 of the Act;
- (18) "Renewable Energy Sources" means renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste and such other source(s) recognized by Ministry of New and Renewable Energy (MNRE) or any other agency as notified by Government of India / Commission;
- (19) "Renewable Purchase Obligation (RPO)" means the requirement as notified by the Commission from time to time under clause (e) of sub-section (1) of section 86 of the Act for the obligated entity;
- (20) "State Nodal Agency" means the agency designated by the Commission to act as the agency and to undertake functions under these regulations in the National Capital Territory of Delhi;
- (21) "State" means the National Capital Territory of Delhi.
- (22) "Year" means a financial year.

3. Interpretations

- (1) These Regulations shall be interpreted and implemented in a manner not inconsistent with the provisions of the Act, Rules and Regulations made thereunder.
- (2) Unless the context otherwise requires, the words or expressions used in these Regulations and not defined herein but defined in the Act or the regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act or such regulations issued by the Commission.

PART 2
GENERAL

4. Renewable Purchase Obligation

- (1) Annual target for Renewable Purchase Obligation required to be met by the Distribution Licensee shall be notified by the Commission in the relevant Tariff Order.
- (2) Annual target for Renewable Purchase Obligation required to be met by the obligated entities other than Distribution Licensees shall be decided by the Commission through Order (s) from time to time.
- (3) The quantum of renewable energy purchase towards compliance of Renewable Purchase Obligation (RPO) shall be the aggregate of all gross purchase from generating station(s) based on renewable energy sources by the Obligated Entities.
- (4) The quantum of electricity generated under Net Metering arrangement shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee of the area.

Provided that if Renewable Energy Generator under DERC (Net Metering for Renewable Energy) Regulations 2014 is an obligated entity, the quantum of surplus electricity generated after Renewable Purchase Obligation (RPO) compliance of such obligated entity shall qualify towards RPO compliance of Distribution Licensee.

- (5) The Distribution licensees shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their procurement of power from all sources including their own as approved by the Commission from time to time, which shall qualify towards compliance of RPO for the Distribution Licensee.
- (6) The renewable energy procured by the obligated entity from renewable energy generating stations bundled with coal/lignite based thermal generation shall be considered towards compliance of Renewable Purchase Obligation to the extent of power procured from such renewable energy generating station;
- (7) Every obligated entity shall meet its RPO target either by way of its own generation or by way of purchase of renewable energy or by way of purchase of Renewable Energy Certificate(s) or by way of combination of any of the above options:
- (8) The obligated entity shall submit quarterly progress report before the Commission, on the capacity addition, generation and purchase of electricity from renewable energy sources and also post the progress report on its website.

- (9) Notwithstanding anything contained above, the obligated entity may purchase REC for any shortfall in meeting their RPO Targets for any financial year within three months from the date of completion of relevant financial year.

5. Functions of State Nodal Agency

- (1) The State Nodal Agency shall discharge the following functions, namely:-
- (a) accreditation and recommendation of the renewable energy projects for registration under REC mechanism and shall act in accordance with the procedures/rules laid by Central Agency for discharge of its functions under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time;
 - (b) develop suitable protocol for collection of information from various sources such as renewable energy generating companies, obligated entities, SLDC, chief electrical inspector etc., on regular basis and compile such information to compute the compliance of RPO target by obligated entities;
 - (c) publish monthly statement of renewable energy procurement and RPO compliance by different obligated entities on a cumulative basis by 10th day of the next month on its website;
 - (d) submit quarterly progress report in respect of compliance of renewable purchase obligation by the obligated entities before the Commission;
 - (e) suggest appropriate action to the Commission, if required, for compliance of the Renewable Purchase Obligation;
 - (f) discharge any other function as may be assigned by the Commission from time to time.
- (2) The State Nodal Agency shall function in accordance with the directions issued by the Commission from time to time.
- (3) The Commission may fix the remuneration and charges payable to the State Nodal Agency for discharge of its functions and the same shall be recovered from the accredited entities and the obligated entities.
- (4) The Commission may designate another agency to function as State Nodal Agency by an Order after recording reasons in writing, as it considers appropriate that the State

Nodal Agency is not able to discharge its functions satisfactorily.

6. Captive User(s) and Open Access Consumer(s)

- (1) Any Captive user who consumes electricity generated from captive generating plant to the extent of its consumption met through such captive sources other than renewable energy source shall submit necessary details regarding total consumption of electricity and purchase of energy from renewable sources for fulfillment of RPO on annual basis on or before 30th April of the relevant financial year to the State Nodal Agency;
- (2) Any Open Access Consumer who consumes electricity under open access as per Section 42 (2) of the Act to the extent of its consumption met through open access other than renewable energy source shall submit necessary details regarding total consumption of electricity and purchase of energy from renewable sources for fulfillment of RPO on annual basis on or before 30th April of the relevant financial year to the State Nodal Agency.
- (3) If the Captive user(s) and Open Access consumer(s) are unable to fulfill the criteria as specified in Regulation 3(1) of these Regulations, the shortfall of the targeted quantum would attract penalty as specified in Regulation 9 of these Regulations.

7. Renewable Energy Pricing

- (1) A renewable energy project shall have an option of adopting either the tariff pricing structure or the REC mechanism for pricing of the electricity generated from the project.
- (2) The projects opting for tariff under sub section (1) above shall have to continue with the same tariff pricing structure till the period of validity of Power Purchase Agreement.
- (3) Renewable energy project shall exercise its choice for selection of appropriate pricing mechanism prior to execution of the Power Purchase Agreement with the distribution licensee or with open access consumer, as the case may be.

8. Priority for Open Access

- (1) The Distribution or Transmission Licensee shall grant Open Access on priority basis to any entity generating / procuring electricity from renewable energy sources irrespective of installed capacity and the licensee shall provide appropriate interconnection facilities, as far as possible, before the date of commercial operation.

- (2) The interconnection facilities shall follow the grid connectivity standards as specified in the Indian Electricity Grid Code/State Grid Code.

9. Effect of default

- (1) The Commission shall provide the formula for computation of penalty for non-compliance of Renewable Purchase Obligation in relevant Tariff Order for the Distribution Licensees and through a separate order for the Obligated entity other than Distribution Licensees.
- (2) The penalty imposed by the Commission on the Distribution Licensee shall be to the account of the Distribution Licensee and shall not be a pass through in the Aggregate Revenue Requirement.
- (3) If the obligated entity other than the distribution licensee fails to comply with the RPO and deposit the penalty as specified in sub regulation 9(1) of these regulations, the Distribution licensee shall disconnect the grid connectivity of such Open Access consumer / Captive consumer after serving a minimum notice period of 30 days.

PART 3
MISCELLANEOUS

10. Power to Relax: The Commission may, by order, for reasons to be recorded in writing, and after giving an opportunity of being heard to the parties likely to be affected, may relax any of the provisions of these regulations on its own motion or on an application made before it by a person.

11. Power to Amend: The Commission may from time to time add, vary, alter, suspend, modify, amend or repeal any provision of these regulations.

12. Power to Remove Difficulties:

(1) In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may by order, issue appropriate directions to any generating company, distribution licensee, captive user, and open access consumer, to take suitable action, not being inconsistent with the provisions of the Act, which appear to the Commission to be necessary or expedient for the purpose of removing the difficulty.

(2) Any generating company, distribution licensee, captive user, open access consumer may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

13. Repeal and Savings:

(1) Save as otherwise provided in these regulations, the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2017 shall stand repealed from the date of commencement of these regulations.

(2) Notwithstanding such repeal, anything done or purported to have been done under the repealed regulations shall be deemed to have been done or purported to have been done under these regulations.

(3) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.

(4) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Electricity Act 2003 (36 of 2003) a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded

in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

- (5) Nothing in these Regulations shall, expressly or impliedly, bar the Commission in dealing with any matter or exercising any power under the Electricity Act 2003 (36 of 2003) for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

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