

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

April 4, 2013

PRESENT : **Sri T.M.Manoharan, Chairman**
 Sri. P.Parameswaran, Member
 Sri Mathew George, Member

In the matter of Solar Renewable Purchase Obligation to be fulfilled by Kerala State Electricity Board and all other licensees in the State of Kerala.

ORDER

The Commission issued KERALA STATE ELECTRICITY REGULATORY COMMISSION (RENEWABLE PURCHASE OBLIGATION AND ITS COMPLIANCE) REGULATIONS, 2010 on 03.11.2010 and the renewable purchase obligation for licensees are as follows as per the regulation.

“3. Renewable Purchase Obligation:-

Every obligated entity shall purchase not less than 3% of its consumption of energy from renewable energy sources under the Renewable Purchase Obligation during the years from 2010 with annual increase of 10% of 3% per year up to a maximum RPO of 10%. Provided that 0.25% of the consumption of energy shall be procured from generation based on solar as renewable energy source only; Provided further, such obligation to purchase renewable energy shall be inclusive

of the purchases, if any, from renewable energy sources already being made by the concerned obligated entity;

Provided also that the power purchases under the power purchase agreements for the purchase of renewable energy sources already entered into by the distribution licensees and consented to by the Commission shall continue to be made till their present validity, even if the total purchases under such agreements exceed the percentage as specified hereinabove.”

The Commission observes that the Licensees in the state have not met the solar purchase obligation as per the above regulation from 2010 till date. The matter was considered by the Commission in detail and it has been decided that in view of the urgent need to promote the renewable sources of energy in the state with special focus on development of solar electricity, the solar power obligation by the Licensees shall be insisted with immediate effect.

Clause 6(2) of the above regulation empowers the Commission to impose penalty under section 142 of the Electricity Act 2003 if any obligated entity failed to comply with the obligations and also to allow carrying forward the compliance requirement for the next year. Even though the regulations prescribe solar power obligations from 2010 onwards none of the Licensees have approached the Commission to allow carrying forward the obligation till date.

However in view of the fact that the solar electricity generation in the state as well as the Solar REC market in the country is yet to develop and mature, the Commission has decided to enforce the solar purchase obligation by the Licensees from the FY 2013-14 only.

The Commission hereby issues the following orders on the matter:

1. Solar Power purchase obligation as per the Regulation cited, at the rate of 0.25% of the consumption of energy, shall be insisted from the FY 2013-14 in the case of KSEB and from the FY 2014-15 in the case of other Licensees in the state. The solar power purchase obligation shall be enhanced by 10% every year thereafter.
2. The consumption for 2013-14 shall be taken as the base year in the case of KSEB and 2014-15 for other Licensees for computing the obligation.
3. ANERT being the designated state agency shall monitor the solar power purchase obligation and submit periodical reports to the Commission as per the Regulations.

Sd/-
Member(E)

Sd/-
Member (F)

Sd/-
Chairman

Approved for issue

Sd/-
Secretary