

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
UNIT-VIII, BHUBANESWAR - 751 012

Present : Shri S. P.Nanda, Chairperson
Shri S. P. Swain, Member
Shri A. K. Das, Member

Case No. 93/2012

M/s OCL India Ltd.

.....Petitioner

Vrs.

OREDA & others

.....Respondents

In the matter of: **Application under Clause 4, 9, 10, 11 & 12 of the OERC (Renewable & Co-generation Purchase Obligation and its Compliance) Regulations, 2010 seeking direction of the Commission for removal of the difficulty faced in the absence of prescribed procedure/protocols for approval of drawings, documents, metering, scheme etc.**

For Petitioner : Shri Godabari Sabata, Asst.Manager (Admn.), M/s.KCMW(OCL)

For Respondents: Minaxi Garg,DGM,NLDC.
Nobody is present on behalf of OREDA,OPTCL,GRIDCO,CESU,and
SLDC

ORDER

Date of Hearing: 02.05.2014

Date of Order :22.05.2014

The Petitioner M/s. OCL India Ltd. has a grinding unit namely Kapilash Cement Manufacturing Works (KCMW) which is situated in Cuttack district. It intends to set up a Solar Photo Voltaic project under REC mechanism in phases starting with 2.5 MW in 1st phase. The power generated from the project shall be purely utilised for captive consumption. The Petitioner contacted various agencies such as OREDA, SLDC, CESU, OPTCL etc. to complete formalities before getting registered with NLDC, the Central Agency for issuance of REC under the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010. The Petitioner faces difficulties in approval of metering arrangement and other compliances because there is no approved procedure for the same. It also pointed out that amended Regulation 5(1) (c) of CERC Regulation provides as follows:

“xxxxx.Provided further that a Captive Power Producer (CPP) based on renewable energy sources shall be eligible for the entire energy generated from such plant including selfconsumption for participating in the REC scheme subject to the condition that such CPP has not availed or does not propose to avail any benefit in the form of concessional/promotional transmission or wheeling charges, banking facility benefit and waiver of electricity duty.”

2. OERC has also issued Regulation called OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010 under which OREDA has been designated as the State Agency for accreditation of REC based Solar Projects and also for recommending accredited project for registration with the Central Agency i.e. NLDC. The Petitioner further pointed out that the detailed procedure for accreditation of Solar PV CPP based projects and issuance of REC has not been notified till date by OERC in line with CERC model guidelines for the accreditation of Renewable Energy Generating Projects for REC Mechanism. Due to this various entities in the State like SLDC, OPTCL and DISCOMs are not clear of their role in approving the drawings to complete the accreditation, recording the meter reading and certifying the self energy consumption required for issuance of RECs.
3. The Petitioner has also requested us to advise GRIDCO, the State Nodal Agency for power procurement to purchase surplus solar CGP power at pooled cost of power purchase otherwise the green energy generated would go waste.
4. The Respondent OREDA submitted that the 2.5 MW Solar CPP project of the Petitioner has already been accredited by OREDA by 28th January, 2012 and same has been registered with NLDC on 20th May, 2012 as per CERC Regulation. The connectivity diagram as recommended by OPTCL has been approved by Chief Electrical Inspector (T&D), Bhubaneswar. OPTCL has already issued permission in this regard. A meeting had been convened by OREDA where metering standards and procedure for submission of data to SLDC for issuance of Renewable Energy Certificates has been finalised in consultation with SLDC, GRIDCO and CESU. That procedure has been submitted to the Commission for approval. According to the above procedure OREDA shall request SLDC to take meter reading and communicate the energy injection report to the State and Central Nodal Agency every month. Another RE Generator in the State M/s. J K Papers has been following the above procedure and availing REC since September, 2012. OREDA further submitted that

the Commission in their recent Renewable Generic Tariff Order in Case No. 80/2013 has dealt with the metering arrangement of solar CGP project developed by industrial consumers as follows:

“Metering Arrangement:

- 1. The metering standards will be as per the Central Electricity Authority (Installation and Operation of Meters) regulation 2006 and its Amendment Regulation 2010.*
- 2. The special Energy Meters (ABT Compliant) shall be provided to all the feeders whose data is required for Energy Injection Report.*
- 3. In case of Solar Projects developed by any Industrial consumer as Captive Generation Plant (CGP) for self consumption and/ or for Renewable Energy Certificate (REC) mechanism, the generation and aux. consumption should be recorded separately and metered, as the auxiliary consumption is not eligible for REC.*
- 4. The cost of meters, cost of connectivity and all other related cost for setting up the meters etc. have to be borne by the developer under guidance of the concerned DISTCOM.”*

Therefore, OREDA has submitted that most of the difficulties mentioned by M/s. OCL in their petition have been addressed in the meanwhile.

5. Another respondent Power System Operation Corporation Ltd. (POSOCO) has submitted that CERC vide its order dtd. 09.11.2010 has notified the detailed procedure under REC mechanism in the form of “Model Guidelines for accreditation of Renewable Energy Generation Projects for REC mechanism.” According to the Model Guideline, the State Agency (here OREDA) shall follow this procedure for accreditation of Renewable Energy Generating company for their Renewable Energy project subject to fulfilment of eligibility condition as per the CERC Regulations.
6. The Respondent DISCOMs such as WESCO, NESCO & SOUTHCO submitted that for captive solar PV status, the Electricity Rules, 2005 is to be adhered to. Another DISCOM namely CESU submitted that the entire power consumed by the Petitioner even if it is generated from its CGP should be billed as per the applicable RST by CESU. The injected power to the OPTCL system by the generator shall be Average Pooled Price Cost (APPC) as decided by the Commission from time to time. CESU would pay to the solar generator on the injected units with APPC rate.
7. Respondent OPTCL submitted that they have already accorded in principle approval on 11.01.2013 for connecting the above solar PV project with OPTCL’s network subject to energy metering arrangement to be finalised among OPTCL, GRIDCO,

OCL and CESU and Petitioner has agreed to the terms and conditions stipulated by OPTCL for the said connectivity. Subsequently the Petitioner has submitted a Single Line Diagram (SLD) and the Protection Scheme Drawing regarding connectivity to OPTCL. The latter has already offered views on modification to be implemented by Petitioner on SLD. OPTCL has suggested some modification in the drawing which is yet to be accepted by the Petitioner (KCMW).

8. The Petitioner in its rejoinder submitted that the Central Agency has already issued a procedure for issuance of REC to the eligible entity. In this procedure the function, role and responsibilities of entities involved in REC mechanism has been specified. According to Para 4.2 (d) of that procedure, in case CPP is connected to the transmission / distribution network of the transmission / distribution utility, SLDC shall establish a protocol for receipt of information and maintenance of the record of meter reading including self consumption for such RE projects. But SLDC yet to issue such protocol.
9. Heard the parties at length. The present petition arises out of lack of communication and understanding between the parties involved. The accreditation of Renewable Energy Project under REC mechanism should be done as per CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificates for Renewable Energy Generation) Regulation, 2010. Regulation 3 (3) provides as follows:

“3. (3) Subject to provisions of these regulations, the Central Agency, with approval of the Commission and after inviting comments from the State Agency shall issue a detailed procedure for registration of eligible entities, verification of generation of electricity and its injection into the grid by the eligible entity, issuance of certificates and other relevant and residual matters.”
10. Accordingly, CERC had approved a detailed procedure under REC mechanism submitted by Central Agency (NLDC) called model procedure / guidelines for accreditation of Renewable Energy generation project for REC mechanism by State Agency on 09.11.2010 which was subsequently revised by CERC on 17.02.2014 in line with amendment to the main Regulation. This revised guideline addresses most of the issues involved in the accreditation of Renewable Energy projects but has not mandated SLDC to issue a protocol for receipt of information and maintenance of the

record of meter reading including self consumption for such RE projects as claimed by the Petitioner. The guideline in Para 10.1 provides that if any difficulty arises in giving effect to any provision these procedures the Central Agency may make such provisions or propose amendment with due approval of the Central Commission.

11. Be that as it may, OREDA the State Agency in consultation with SLDC, CESU & GRIDCO has submitted a procedure before the Commission incorporating metering standards and procedure for submission of data to SLDC for issuance of Renewable Energy Certificates for approval. This proposal of OREDA is under active consideration of the Commission and on its finalisation it would be applicable mutatis mutandis to the Petitioner also. Moreover, the Commission has elaborately dealt with metering standards and procedures for industrial consumers having solar PV based CGP in their generic tariff order (Case No. 80/2013) for renewable sources. As submitted by OPTCL they have already approved the connectivity drawing of the solar PV CGP of the Petitioner. In the meantime, the Solar PV project of the Petitioner has been registered with NLDC (Central Agency). Considering the above, grievances of the Petitioner do not survive at present.
12. Accordingly, the case is disposed of.

Sd/-
(A .K. Das)
Member

Sd/-
(S. P. Swain)
Member

Sd/-
(S. P. Nanda)
Chairperson