

ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR
BHUBANESWAR - 751 021

Present: Shri U. N. Behera, Chairperson
Shri A. K. Das, Member
Shri S. K. Parhi, Member

Case No. 65/2018

M/s Hindalco Industries Ltd	Petitioner
Vrs.		
The Chief Executive, OREDA	Respondent

In the matter of: **An application under Section 86(1) of the Electricity Act, 2003 read with Clause 4.2 and 5.1 of OERC (Procurement of Energy from Renewable Sources and its compliance), Regulation 2015 seeking permission for purchase of additional Solar REC due to non availability of Non-Solar REC for FY 2018-19.**

For Petitioner: Shri Suresh Ch. Das Asst. Vice President M/s Hindalco Industries Ltd.

For Respondent: Shri Sujata Das, Programme Asst. M/s. OREDA.

ORDER

Date of hearing: 29.01.2019

Date of order: 09.04.2019

M/s. Hindalco Industries Ltd. the Petitioner in this case has approached the Commission to seek permission for purchase of additional solar REC in case of non-availability of non solar REC in compliance to the obligation under OERC (Procurement of Energy from Renewable Sources and its compliance), Regulation 2015. M/s. Hindalco is engaged in manufacture of aluminium and related products. To cater its need it has set up captive power plants with capacity of 467.5 MW at Hirakud and 900 MW at Lapanga. Being an obligated entity as per Clause (e) of sub-Section (1) of Section 86 of the electricity Act and Regulation (2)(p) of OERC (Procurement of Energy from Renewable Sources and its compliance), Regulation 2015, M/s. Hindalco Industries is required to meet its RPO target from its own renewable sources or procurement of power from other developers of renewable energy sources or by purchase from other licensees or by way of purchase of Renewable Energy Certificates (REC) for the total energy consumption of the industry in accordance with Regulation 4.2 of OERC Regulation, 2015.

2. The petitioner submitted that it is committed for its RPO compliance and in furtherance of the same, its unit at Hirakud and Lapanga have complied with the RPO by purchasing REC

(solar and non-solar) for the period up to 2017-18. However, for the period 2018-19 it is facing difficulty to comply with its non-solar obligation due to non availability of non solar REC, as the past inventory of non-solar REC has got depleted.

3. The petitioner further submitted that as per Regulation 4(2) proviso (2) of OERC (RPO) Regulation, 2015, in the event of non-availability of quantum of power to be purchased from non-solar renewable sources in a particular year, the procurement of additional solar energy over and above the solar percentage fixed for that year can be utilized for fulfilment of the total RPO in that year.
4. As submitted by the petitioner, Regulation 5(1) of OERC (RPO) Regulation, 2015 allows an obligated entity to fulfil RPO compliance by purchase of non-solar REC in the event of non-availability of solar REC. The petitioner prayed before the Commission that since the price of both solar and non-solar REC is more or less same in the market, the Commission may kindly allow the purchase of solar REC in the event of non-availability of non-solar REC.
5. The Respondent in this case, the Chief Executive, OREDA submitted that Regulation 4(2) of OERC (RPO) Regulation, 2015 allows the purchase of additional solar power in the event of non-availability of non-solar RE power to fulfil one's obligation. In the same parlance Commission may consider the purchase of additional solar REC in the event of non-availability of non-solar REC in the market.
6. Heard the parties. We agree with contention of the Respondent M/s. OREDA that following the analogy of purchase of additional solar power in the event of non-availability of non-solar RE power, the Commission may allow purchase of additional solar REC in case of non-availability of non-solar REC to fulfil Renewable Purchase Obligation. Therefore, in exercise of power under Regulation 12.6 in OERC Regulation, 2015 the Commission allows M/s. Hindalco to purchase additional solar REC in case of non-availability of non-solar REC to meet its obligation under Regulation for FY 2018-19. The proof of non-availability of non-solar REC shall be verified by M/s. OREDA from the Petitioner before submitting the compliance report to the Commission.
7. Accordingly the case is disposed of.

Sd/-
(S. K. Parhi)
Member

Sd/-
(A. K. Das)
Member

Sd/-
(U. N. Behera)
Chairperson