

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

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

Case No. 10/2019

M/s. Primeval Renewable Projects Pvt. Ltd.	Petitioner
Vrs.		
CESU & others	Respondents

In the matter of: **An application under Section 86 (1) (b) (e) and (f) of the Electricity Act, 2003 read with Regulation 2 (f) and (10) of the OERC (Conduct of Business) Regulations, 2004 seeking appropriate directions of the Commission for claiming benefits of the excess power injected from its solar power plant of 2.2 MWp and 1.1 MWp.**

For Petitioner: Shri Piyush Kumar Ray, Advocate and Shri Brahmananda Mishra, Advocate.

For Respondent: Ms. Sandhyarani Behera, CESU, Shri Amar Kumar Sahoo, Advocate on behalf of M/s. RSB Solar Project, M/s. RSB Castings Limited and M/s. RSB Transmissions (I) Limited, Shri Biswaranjan Mishra, OPTCL, Ms. Shaswati Mahapatra, DGM (RE), GRIDCO, Shri S. S. Nayak, CGM (PP), GRIDCO Ltd.
Nobody is present on behalf of GEDCOL.

ORDER

Date of hearing: 09.07.2019

Date of order: 14.08.2019

The petitioner M/s. Primeval Renewable Projects Pvt. Ltd. (hereinafter referred as the petitioner/developer) has developed two solar power plants of 2.2 MWp and 1.1 MWp in the premises of M/s. RSB Castings Ltd. and M/s. RSB Transmission (I) Ltd. (herein after referred as M/s. RSB Group) respectively at Mania, Tangi in Cuttack district under the business model of 'Third party owned solar PV Net metering/Bi-directional metering' in accordance with Clause-5 of the OERC Net-metering policy, 2016. The entire power generated from the said solar plant is contracted to be sold to M/s. RSB Group, who are the consumers of CESU and fed through 33 KV network originating from 132/33 KV Mania Grid S/S of OPTCL. In Odisha GEDCOL is the Nodal Agency for ongrid solar and hybrid power projects of 1 MW and above capacity. After obtaining approval from M/s. GEDCOL, the petitioner had commenced the

commissioning activities of the plant and the solar power plant has been commissioned in the month of December, 2018.

2. The petitioner has submitted that M/s. RSB Group had applied CESU for grant of connectivity and replacement of energy meter with net meter/Bi-directional meter and also execution of agreement as per OERC Net metering policy. While according permission for net metering, CESU had intimated RSB Group that since no other consumer is available in this 33 KV network to feed the power (in case the generation of solar plant is more than the load requirement of RSB Group), the excess power would be fed into OPTCL network. Hence, CESU advised RSB Group to obtain No Objection Certificate (NOC) from OPTCL. Accordingly, RSB Group requested OPTCL seeking NOC for the aforesaid reason. In response, OPTCL vide its letter dated 17.05.2018 intimated RSB Group that NOC cannot be granted until a PPA is signed with GRIDCO or alternatively, a NOC is to be obtained from GRIDCO for exporting excess power. Since, the COD of the solar plant was nearing and was scheduled to be made on 30.06.2018, the petitioner & RSB Group had only one option left that was to comply with the direction of OPTCL. Thereafter, M/s. RSB Group approached GRIDCO to issue NOC for evacuation of surplus power into OPTCL network. At the same time CESU also wrote a letter to GRIDCO to adjust the exported/surplus power against the BST bills of CESU since there is no other consumer available on the said 33 KV line. In its reply on 18.07.2018 GRIDCO wrote a letter to CESU stating that there is no PPA or any other commercial arrangement between GRIDCO & M/s. RSB Group and therefore, any settlement of power between CESU and M/s. RSB Group would be done in accordance with the OERC Net-metering order dated 19.08.2016. Therefore, M/s. RSB Group, in contravention to the clear guidelines of the Net- metering policy, 2016, proposed to forgo the adjustment of excess power exported to the grid from the bill raised by CESU towards energy imported by M/s. RSB Group until resolution of the dispute. Thereafter, NOC was granted by OPTCL subject to the condition that excess energy fed into the grid would be treated as 'free power' and no adjustments shall be provided to M/s. RSB Group against the excess energy fed into the OPTCL system.
3. The petitioner further submitted that the Petitioner / RSB Group had to forgo its rightful claim and relinquish its interest deriving from the OERC Net-metering Policy, 2016, because of the agreement between CESU, OPTCL & GRIDCO on adjustment of the excess power evacuated from the subject solar power plant. Net-metering policy order

does not hold the developer or the “Prosumer” responsible for making contractual arrangements between CESU, OPTCL and GRIDCO for injection of the surplus power. Despite a categorical representation through letters and meetings with officials of CESU, GRIDCO and OPTCL, the issue was leading to further complications and the only means of resolution left with the petitioner, in the limited time it had, was to invoke the jurisdiction of this Commission for seeking directions on the above mentioned issue. Therefore, the petitioner and M/s. RSB Group conceded and gave an undertaking to CESU stating that the manner of arrangement provided under the Net-metering Policy, 2016 for export of excess power would be relinquished by the petitioner/ RSB Group and excess power generated from the solar power plant could be treated as free power by CESU, OPTCL and GRIDCO until the resolution of the dispute.

4. In view of the above the petitioner has submitted the following grounds for consideration of the Commission:
 - a. Whether under the Net-metering Policy, 2016, the petitioner is responsible for firming up PPA’s for exporting excess power from its manufacturing units.
 - b. Whether the responsibility for arranging the treatment of excess power, its billing and rebate to CESU has to be ensured by the petitioner or prosumer to avail the benefits of Net-metering Policy, 2016.
 - c. Whether the distribution utility is empowered to amend or modify the standard agreement form notified by the Commission in its order for Net-metering Policy, 2016.
 - d. Whether the financial and commercial losses caused to the petitioner and prosumer on account of the waiver given by petitioner be recovered on account of no fault of the petitioner/prosumer.
 - e. Whether the excess units supplied to CESU/OPTCL network from the date of commissioning of solar power plant till the closure of the financial year ending on 31.03.2019 will be treated as free power in light of the lack of clarity on part of implementing agencies vis-a-vis CESU/GEDCOL/OPTCL/GRIDCO.
5. The respondent-GEDCOL has submitted that the State Technical Committee (STC) for on-grid solar and hybrid RE projects of 1 MW and above capacity, has allowed the petitioner to set up 3.3 MW Solar Plant in the premises of M/s. RSB Group at Mania, Tangi, Cuttack under the Third party owned Solar PV Net-metering Policy of the

Commission. Therefore, GEDCOL prayed the Commission to extend the benefit to the consumers under this policy, which will encourage greening of captive power.

6. The respondent-CESU has submitted that M/s. RSB Group avail power supply from CESU through 33 KV network originated from 132/33 KV grid sub-station of OPTCL at Mania, Tangi. In case of more solar generation than its load, the excess power would directly flow into the OPTCL network as no other consumer gets supply through this dedicated 33 KV line. Therefore, CESU had asked M/s. RSB Group to obtain NOC from OPTCL. CESU had also requested GRIDCO to adjust the export power injected to OPTCL network against CESU's BST bills. However, M/s. RSB Group has submitted an undertaking on 09.11.2018 that they will not claim any offset of exported power for the previous period until any interim order/communication of OERC or any other appropriate authority is issued to this effect. Also, the order of the OERC is final and binding to the executing parties and if any order is passed by OERC in future this shall be adhered by the executing parties from the date of such order and not from the date of execution of Net Metering Agreement with CESU/Charging of the said solar photovoltaic power plant. Accordingly, net metering Agreement was signed on 09.11.2018 subject to the above conditions. However, CESU has prayed the Commission to accept and allow the relief sought in its submission and direct GRIDCO to adjust the export solar power injected to OPTCL network against CESU's BST Bill as there is no other CESU consumer except M/s. RSB Group (viz. M/s. RSB Casting Ltd. and M/s. RSB Transmission (I) Ltd.) in the aforesaid 33 KV network originated from 132/33 KV Mania grid. So, any excess/export power would directly flow into the OPTCL network. CESU has further prayed the Commission to implement the order prospectively.
7. The respondent-GRIDCO has submitted that in such case any excess power stepped up to the OPTCL system is not utilised by any consumer in the distribution system. Since, there is no PPA between GRIDCO and M/s. RSB Group, no scheduling of such inadvertent power can be done to avail surplus power by GRIDCO. GRIDCO further submitted that any settlement of power is to be done as per net metering order of the Commission and any agreement between CESU and M/s. RSB Group is outside the purview of GRIDCO.
8. The respondent OPTCL submitted that as per the Clause 3 of the Net Metering Policy, the prosumer is allowed for feeding surplus energy into distribution net work on net metering basis. Hence, it is the responsibility of distribution licensee to do the necessary

billing to the prosumer as per the net metering policy and OPTCL has no role in it. Since GRIDCO has expressed its inability for adjustment of excess power injected by the prosumer from the BST bill of CESU due to non-existence of any commercial arrangement between GRIDCO & M/s. RSB Group, then the settlement should be made by CESU and M/s. RSB Group under the Net-metering policy. However, OPTCL had granted connectivity and synchronisation permission to M/s. RSB Group with the condition that any inadvertent power flow to OPTCL network shall be treated as free power. In view of the above, OPTCL has prayed the Commission that M/s. RSB Group may be denied for claiming compensation for inadvertent power injection to the grid as there is no PPA with GRIDCO for energy accounting as well as clearance of SLDC for scheduling of such surplus power.

9. The submission of the respondent M/s. RSB Group is similar to that of the petitioner M/s. Primeval Renewable Projects Pvt. Ltd.
10. Heard the parties at length and their written notes of submission are taken into records. The Commission observed that M/s. RSB Group avail power supply from CESU through two numbers of 33 KV feeders emanating from 132/33 KV Grid Sub-station of OPTCL at Mania. The Petitioner/Developer, after obtaining approval from GEDCOL, has set up 3.3 MWp Solar PV Plant (2.2 MWp + 1.1 MWp) in the premises of M/s. RSB Group under the provision of “Third party owned Solar PV Net-metering/Bi-directional Metering” of OERC Net-metering Policy. The entire power would be consumed by M/s. RSB Group and in case of no load or part load operation of M/s. RSB Group, excess power will flow into the OPTCL network as no other consumer of CESU is availing power said 33 KV lines.
11. The Commission observed that Clause 5 of the OERC Order dated 19.08.2016 (amended upto 17.01.2018) on Net-metering/Bi-directional metering and their connectivity with respect to solar PV projects stated as follows:-

“In the third party owned solar PV net metering/bi-directional metering model, the developers or intermediaries lease out solar PV systems to interested owners. In this arrangement, the turnkey installers lease solar systems to individual owner. Alternatively, the installers can also offer integrated service of leasing, commissioning and maintaining the systems to owners and guaranteeing standards of performance. The electricity generated from such a system is used to meet the owner’s internal electricity needs while the excess generation is fed into the grid on net metering/bi-directional metering basis”.

Further Clause 11 (b) of the said Net-metering order stipulates as follows:-

“The carry forward of excess energy generation will be allowed from one billing cycle to the next billing cycle till the end of the same financial year. Any excess generation (above 90 per cent) at the end of the financial year would be considered as free energy and shall not be offset against the consumer’s consumption. There shall not be any carry forward of energy to the next financial year.”

12. This is a unique situation which has not been covered under our Net Metering order. In the present case the excess power generated by the two solar power plants after meeting their local load shall flow through the existing 33 KV feeder to the OPTCL system. In normal case the consumer draws its requirement of power through this feeder and CESU bills the consumer on the meter fixed at the consumer premises. In turn GRIDCO bills CESU at the BSP rate on the meter reading of the meter fixed at the OPTCL grid.
13. As per our Net Metering order the netting of the solar power is to be made at the “Net Meter” which is the consumer meter fixed at the consumer end. Therefore, the RSB group is to fix net meter at 33 KV end of the transformer since this is the consumer meter for RSB group. The excess injection of power shall flow from net meter end and shall enter into the OPTCL’s transmission system through 33 KV BSP meter fixed at the Grid. In the present case the consumer has to bear the 33 KV HT loss at normative level of 8% and the resulting energy shall be accounted to have been injected into the OPTCL system irrespective of the meter reading of the BSP meter at the grid end. The excess energy injected into the OPTCL system after such accounting shall be deducted from the units injected by GRIDCO through Mania Grid to CESU for payment of BSP bill. All other terms and condition of “Net Metering” order shall remain in force except this arrangement. A quadripartite agreement to this effect in modification of our net metering agreement shall be signed by CESU, RSB Group, OPTCL and GRIDCO. The order shall be effective from the date of such signing which shall be completed within two months from the issue of this order.
14. Accordingly, the case is disposed of.

Sd/-
(S. K. Parhi)
Member

Sd/-
(U. N. Behera)
Chairperson