

**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
Shri G. Mohapatra, Member**

Case No. 08/2020

M/s. Indian Metals and Ferro Alloys Ltd. Petitioner

Vrs.

M/s. OREDA Respondent

In the matter of: Application seeking direction of the Commission to M/s. OREDA to carry forward/adjustment of the excess Renewable Energy Certificates (REC) procured by the applicant during September, 2015 to 31st December, 2019 under the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 read with OERC Notification dated 31.12.2019.

For Petitioner: Shri B.C. Swain, the Authorized Representative and Shri H. R. Das, Dy. General Manager (Power Cell)

For Respondent: Shri A. K. Choudhury, Joint Director (Technical Division-II)

ORDER

Date of hearing: 28.07.2020

Date of order: 10.09.2020

The present petitioner M/s. Indian Metals and Ferro Alloys Ltd.(IMFA) is a manufacturer of High Carbon Ferro Chrome having 2 nos. of plants, one of them located at Choudwar in Cuttack district and another at Therubali in Rayagada district. It has five units of CGP at Choudwar with capacity of 250 MW (conventional) i.e. 2x54MW+1x30MW+1x60MW+1x60 MW commissioned on 04.02.1989, 23.08.2011, 31.12.2012 and 30.06.2013 respectively.

2. The petitioner has submitted that it has installed 4.55 MW solar plant at Therubali, Rayagada (3 MW plant in FY 2017-18 and 1.5 MW in the FY 2018-19) to meet its solar RPO requirements. In addition to that it has also 50 KW capacity Roof-top solar Plant installed in FY 2018-19. Further, the petitioner had procured Solar and Non-solar Renewable Energy Certificates to meet its Renewable power obligation for

different financial years based on Regulation 4.2 of the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015. The Renewable Procurement Obligation was varying from 3% to 11% of the total consumption under that Regulation for different years.

3. Subsequently, the Commission in its notification No.OERC/RA/RE-5/2013 dt.31.12.2019 exercising powers under OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 had directed as follows:

(i) *The CGPs which are commissioned before 01.04.2016, the RPO for them shall be pegged as prescribed in the above Regulation for FY 2015-16 and shall be as follows:*

<i>Solar sources (%)</i>	<i>Non-solar sources (%)</i>	<i>Total (%)</i>
<i>0.50</i>	<i>2.50</i>	<i>3.00</i>

(ii) *For CGPs commissioned from 01.04.2016 onwards, the RPO shall be pegged at the level of the year of commissioning as mandated by the OERC under OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015.*

4. Considering the above notification of the Commission, the petitioner has submitted that they have already procured excess RECs or consumed excess captive solar generation during different financial years from FY 2015-16 to FY 2018-19 as compared to the percentage fixed in Clause 4.2 of the OERC RPO Regulations, 2015. IMFA has stated that they have excess RECs to the tune of 41,799 nos. solar and 8576 nos. non-solar upto December, 2019. IMFA has further stated that its solar consumption from their 4.55 MW captive solar plant is always more than its solar RPO requirement and hence left with surplus solar generation. But they will always require non-solar REC to fulfil their non-solar RPO, since there is limited availability of non-solar energy in Odisha.
5. Further, Regulation 4.2 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 provides the following:

“xxxxxxx

In the event of non-availability of above mentioned quantum of power 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 shall be utilized for fulfilment of the total RPO in that year:

xxxxxxx”

In view of the above, IMFA has prayed the Commission to allow the surplus solar REC and solar energy generation to be carried forward and offset against current and future non-solar obligation.

6. The petitioner has further prayed that OREDA be directed to carry forward the excess REC procured by the petitioner during the period from FY 2015-16 to FY 2018-19 and surplus captive solar generation towards Renewable Purchase Obligation (RPO) to the period from FY 2019-20 onwards.
7. In its reply, the State Agency, OREDA stated that apart from the conventional CGP, the entity has also consumed 7230.508 MWh of energy from its captive solar power plant. OREDA has computed the REC requirement of the petitioner to the tune of 96007.41 nos. for the period from 2015-16 to 2019-20 and 261465 nos. of surplus RECs are available with the petitioner. Therefore, the petitioner has claimed to have excess RECs with them for the past periods and sought permission to adjust/carry forward the same against their current/future requirements. OREDA has submitted that they will abide by the order of the Commission with regard to carry forward of excess RECs procured by the petitioner during FY 2015-16 to FY 2019-20 for adjustment against subsequent years. OREDA has further submitted that in case the Commission allows carry forward of the excess RECs, the petitioner may be directed to furnish the adjustment plan to OREDA for each financial year.
8. In its rejoinder, the petitioner has submitted that OREDA has included auxiliary consumption in self consumption data based on EIC (Electricity) report. This may be corrected. The petitioner submits its consent for submission of adjustment plan of RECs for each financial year once the carry forward/adjustment of REC is allowed by the Commission.
9. Heard the parties at length. In this regard we are citing our order in case no.89/2017 (CCPPO Vrs. OREDA) as follows:

“18. In summarising the above, the Commission gives the following directions:

(a) The quantum of RPO compliance for the CGPs shall be aggregate or gross generation from the CGP less auxiliary consumption and export through open access together. Power availed through open access by the industry shall be accounted towards consumption for determination of renewable purchase obligation. Normative auxiliary consumption shall be as per the OERC 8 generation tariff Regulations, 2014 of the Commission for similar kind of generating stations. This shall be determined by

M/s. OREDA and intimated to obligated entities. Obligated entities shall also comply the RPO provisions by self assessment and reconcile the same with M/s. OREDA within the allowed time period.

(b) EIC (Elect.)-cum-PCEI, Odisha shall furnish all information on generation of CGPs and on auxiliary consumption, if available, to M/s. OREDA.”

10. In view of our above order, we direct OREDA to compute afresh the RPO requirement for the period FY 2015-16 to 2019-20 of the petitioner. For this purpose, the EIC (Electricity), Government of Odisha is directed to provide source-wise and year-wise consumption data of the petitioner since FY 2015-16 to OREDA. SLDC is also directed to furnish Open Access consumption data of the petitioner to OREDA. After computation by OREDA if any surplus REC is found to have been purchased by the petitioner then it is allowed to be carried forward beyond FY 2019-20 under regulation 12.6 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulation, 2015. OREDA is also directed to consider the provisions of Regulation 4.2 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 which states that:

“In the event of non-availability of above mentioned quantum of power 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 shall be utilized for fulfilment of the total RPO in that year”

In case of shortage of non-solar renewable energy to meet the compliance requirement the excess consumption of solar power over revised obligation can be utilised for fulfilment of the total RPO in that year.

11. With this direction, the case is disposed of.

Sd/-
(G. Mohapatra)
Member

Sd/-
(S. K. Parhi)
Member

Sd/-
(U. N. Behera)
Chairperson