

**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. 40/2020

M/s. Tata Steel Limited	Petitioner
Vrs.		
OREDA	Respondent

In the matter of: **Application under Regulations 12.6 & 12.7 of the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 read with Section 186(1)(e) of Electricity Act, 2003, seeking permission to carry forward/adjustment of excess RECs purchased under the aforesaid RPO Regulations, 2015.**

For Petitioner: **Shri P.P. Mohanty, Advocate on behalf of M/s. Tata Steel Limited**

For Respondent: **Ms. Sujata Das, Verifier on behalf of M/s. OREDA.**

ORDER

Date of hearing: 27.10.2020

Date of order: 15.12.2020

The petitioner M/s. Tata Steel Ltd. is an Integrated Steel plant located at Kalinga Nagar in Jajpur district of Odisha. It has a gas based CGP of 2 x 67.5 MW capacity within its factory premises commissioned on 01.02.2016 and 11.02.2016 respectively. Further the petitioner has a captive generator of 12 MW capacity having Coke Dry Quenching(CDQ) facility in its plant premises which was commissioned on 06.02.2019. The petitioner company is also having another captive generator of 22 MW capacity with Top Gas Pressure Recovery Turbine (TRT) which was commissioned on 20.12.2016. In addition to these CGPs the petitioner is also sourcing some amount of power for its captive use through its Diesel Generator sets within its plant premises, which were commissioned in October, 2015. The petitioner sometimes avails power through open access from its conventional CGPs situated at Athgarh in Cuttack district and at Jamshedpur, Jharkhand as and when required. Further, the petitioner is wheeling some amount of power from Energy Exchanges through bidding process as and when required for operation of the steel plant.

2. The petitioner had procured Solar and Non-solar Renewable Energy Certificates to meet its Renewable Purchase Obligation for different financial years till 2019-20 as per the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015. The Renewable Purchase Obligation was varying from 3% to 11% of the total consumption during that period under that Regulation.
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. The petitioner has submitted that their captive plants fulfil the criteria of co-generation. Hence, they have filed a separate petition in Case No. 66 of 2019 before OERC for exemption of its captive co-generation plants from applicability of the RPO Regulations, 2015. However, the petitioner has purchased RECs to fulfil RPO as per the said RPO Regulations, 2015 under protest. They have already purchased 127473 numbers of solar REC and 210720 numbers of non-solar REC from FY 2015-16 till date and deposited the same before OREDA. Considering the above amended notification dated 31.12.2019 of the Commission, the petitioner has submitted that it is entitled to adjust or carry forward the excess RECs to comply with the future obligations. Therefore, the petitioner prays that OREDA be directed to carry forward the excess REC procured by the petitioner for the period from FY 2015-16 till date towards Renewable Purchase Obligation (RPO) for the period FY 2019-20 onwards. The petitioner has agreed to submit its year-wise plan for adjustment of the excess RECs as desired by the OREDA within the such time frame as may be directed by the Commission
5. In its reply, the State Agency, OREDA has stated that the petitioner company has a gas based CGP at Kalinga Nagar having capacity of 2x67.5 MW which was

commissioned on 01.02.2016 and 11.02.2016 respectively. It has also a 12 MW power generator having Coke Dry Quenching facility which was commissioned on 06.02.2019. In addition the petitioner has a Top Gas Pressure Recovery Turbine (TRT) generator of 22 MW capacity commissioned on 20.12.2016. Apart from these, the petitioner is also using power generated through diesel generators and power purchased through open access. The petitioner is an identified obligated entity under OERC RPO Regulation, 2015. The OREDA has further submitted that in view of the Commission's aforesaid notification dt.31.12.2019 in relation to amendment of the RPO Regulations, 2015 for CGPs, the petitioner has claimed to have excess RECs with them for the past periods and seek 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.

6. Heard the parties at length. However, the Commission has disposed of the petition of M/s. Tata Steel in Case No. 66/2019 in its order dated 08.12.2020. In that order the Commission has directed as follows:

“17. Therefore, considering the various judgements of the Hon'ble APTEL as submitted by the petitioner and its prayer, this Commission is inclined to relax the provision for 8 industry of the Petitioner having co-generation CGP under Regulation 12.6 and 12.7 of the OERC RPO Regulations, 2015, towards its obligation for meeting renewable purchase obligation treating the Petitioner as a co-generation plant. The petitioner shall be exempted from Renewable purchase Obligation when its consumption from cogeneration CGP is more than its Renewable Purchase Obligation for the respective time period. This is because the petitioner also avails its power from sources other than Cogeneration CGP. OREDA shall monitor its Cogeneration Consumption and Renewable purchase obligation accordingly. The relaxation shall be applicable from FY 2019-20 onwards since the transaction of REC has already been settled for past periods. We are relaxing the provisions of the Regulation on the basis of the judgement of Hon'ble APTEL and the said judgements have not dealt with any refund of REC and a settled thing cannot be unsettled now. The petitioner shall provide necessary data/information on its consumption and generation and also power availed through open access, to OREDA as and when required by it for verification with regard to RPO compliance.”

Accordingly, the Petitioner shall be guided by the above order from FY 2019-20 onwards. The Commission observed that for RPO compliance, consumption data of the obligated entities is required for verification by the State Agency, OREDA. Therefore, OREDA may collect source-wise and year-wise consumption data of the

petitioner from the EIC (Electricity), Government of Odisha and Open Access consumption data from SLDC since FY 2015-16 onwards. For convenience we are reproducing our order in Case No.89/2017:

“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.”*

After obtaining the information regarding consumption, OREDA shall compute afresh the excess REC available with the petitioner. The petitioner is allowed to carry forward the excess REC so computed to FY 2019-20 onwards under regulation 12.6 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulation, 2015.

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

Sd/-	Sd/-	Sd/-
(G. Mohapatra)	(S. K. Parhi)	(U. N. Behera)
Member	Member	Chairperson