

**ODISHA ELECTRICITY REGULATORY COMMISSION
BUDYUT NIYAMAK BHAWAN
PLOT NO.-4, CHUNOKOLI, SAILASHREE VIHAR
BHUBANESWAR - 751021**

**Present: Shri U. N. Behera, Chairperson
Shri G. Mohapatra, Member**

Case No. 87/2021

M/s. Dalmia Cement (Bharat) Ltd.	Petitioner
Vrs.		
OREDA	Respondents

In the matter of: **Application under Regulations 12.6 & 12.7 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 for relaxation and exemption from the applicability of RPO and compliance thereof taking into consideration the generation of power from the Co-generation power plants.**

For Petitioner: Shri Suryakanta Pati, GM (E&I) and Shri R. P. Mahapatra, authorized representative of M/s. Dalmia Cement (Bharat) Ltd.

For Respondent: Ms. Sujata Das, OREDA.

ORDER

Date of Hearing: 09.11.2021

Date of Order: 29.11.2021

The Petitioner M/s. Dalmia Cement (Bharat) Ltd. has submitted that it is a manufacturer of Cement and Refractory (for steel plants) in its plant located at Rajgangpur, Sundergarh, Odisha. It also operates plants at Tangi in Odisha and at Godapiasala, West Medinipur in West Bengal. The petitioner is drawing power from TPWODL with a contract demand of 12 MVA and through Open Access from IEX. Apart from the above, the petitioner is consuming power generated by its 2X27 MW conventional CGPs commissioned in FY 2010-11 and FY 2011-12; 9.2 MW WHRB (Co-generation) plant commissioned in FY 2017-18 and 14.5 MW WHRB (Co-generation) plant commissioned in FY 2020-21. For meeting its Renewable Purchase Obligation (RPO), the petitioner has been buying Renewable Energy Certificates (RECs) from the Exchange in addition to utilizing the consumption of solar energy from the 2.5 MW solar PV plant at Tangi and the 5 MW solar PV plant at Medinipur.

2. The Petitioner has further stated that RPO was being determined for the power generated from the conventional fossil fuel based power plants. However, the 9.2 MW

and 14.5 MW power plants generate power from the waste heat of the kilns and are co-generation power plants and accordingly there should be no RPO on the consumption of power from these WHRB power plants. Details of the power consumed from various sources and the RPO for FY 2020-21 are as under:

Generation from CGP and WHRB:

Sl. No.	Item	CGP	WHRB-1	WHRB-2	Total WHRB
1	Gross Gen-kWh	34,69,77,000	6,05,27,100	2,38,00,810	8,01,08,112
2	Aux-kWh	3,58,33,906	32,92,636	9,27,162	
3	Sale kWh	38,735	-	-	
4	Net Gen-kWh	30,91,45,124	5,72,34,464	2,28,73,648	

Open Access drawl: 1,33,82,108 kWh.

Renewable Power Obligation:

Sl. No.	Source	Solar		Non-solar		Total Quantity kWh
1	CGP	0.5%	15,45,730	2.5%	77,28,630	92,74,360
2	Open Access	5.50%	7,36,020	5.50%	7,36,020	14,72,040
Total						1,07,46,400

- The Petitioner has further stated that OERC (Procurement of energy from Renewable Sources and its Compliance) Regulations, 2015 do not provide for promotion of co-generation. Therefore, an application was filed by Tata Steel Limited for exemption from the applicability of RPO and compliance thereof based on Regulations 12.6 and 12.7 of the above Regulations, 2015 which was registered as Case No.66 /2019. The Petitioner has referred to APTEL's Order dated 26.04.2010 in Appeal No. 57 of 2009 in Century Rayon Vrs. MERC where in para 45 it was concluded as follows:

“(v)Under the scheme of the Act, both renewable source of energy and co-generation power plant, are equally entitled to be promoted by State Commission through the suitable methods and suitable directions, in view of the fact that cogeneration plants, who provide many number of benefits to environment as well as to the public at large, are to be entitled to be treated at par with the other renewable energy sources.”

APTEL in para 46 of the said judgment had further concluded as under:

“... While concluding, we must make it clear that the appeal being generic in nature, our conclusions in this appeal will be equally applicable to all co-generation based captive consumers who may be using any fuel.”

- The Petitioner has prayed the Commission to pass Orders in relaxation of provisions in the OERC RPO Regulations, 2015 under Regulation 12.6 and 12.7 and exempt the Petitioner from RPO when the consumption from the co-generation CGP (WHRB) is more than its RPO for the respective time period.

5. The Respondent- OREDA has stated that M/s. Dalmia Cement (Bharat) Ltd., Rajgangpur has 3 units of CGPs having total capacity of 64 MW. During the period from 2011-12 to 2020-21 the petitioner has reported to have consumed 2706.41 MU. About 136.85 MUs of RECs are either procured during the above period, or self retained from 2.5 MW solar power plant at Cuttack, or are lying with the petitioner from the previous year. The total power generated by 5 MW solar power plant at Medinapur is 2.95 MUs. Hence the effective consumption from CGP for calculating RPO is 2706.41 MUs. Accordingly, the quantum of RECs required to discharge the RPO is 99.96 MUs and therefore excess RECs available with the petitioner is 36.39 MUs. OREDA further stated that if the WHRB based power plants of the Petitioner are recognized as co-generation power plant and the power generated from such plant is considered as renewable power, Commission may consider relaxing the provision of applicability of RPO and Compliance thereof.
6. Heard the parties. The Commission observed that under Section 86(1) (e) of the Electricity Act, 2003, the Commission is mandated for promotion of co-generation and generation of electricity from renewable sources of energy. As per various orders of the APTEL, the Commission has passed the following Order dated 08.12.2020 in Case No. 66/2019, in the matter of exemption and relaxation from applicability of RPO and its compliance thereof to M/s. Tata Steel Ltd. which generates such captive co-generation power from waste heat recovery process:
 - “16. Heard the parties at length. The Commission observed that as per the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015, the petitioner company is an obligated entity since it consumes electricity from its CGPs having capacity of 1 MW and above and also procures power through open access for its use. In the present application the petitioner has submitted that its CGPs are having co-generation facility and cited various judgements of Hon’ble APTEL in respect of relaxation of RPO in case of Co-generation power plants.
 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 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...”

7. The Commission observed that in the instant case the Petitioner M/s. Dalmia Cement (Bharat) Ltd., Rajgangpur, Sundergarh is consuming power from its conventional CGPs of 54 MW Capacity and WHRB based co-generation facilities of 9.2 MW and 14.5 MW. This amounts to total capacity of 77.7 MW whereas OREDA in its reply has submitted that the Petitioner has a total capacity of 64 MW. It seems that the WHRB based co-generation plant of 14.5 MW which was commissioned in 2020-21 is not accounted by OREDA. Accordingly, OREDA is directed to verify the total installed capacity of the Petitioner's plants.
8. It is further observed that the directions of the Commission in the aforesaid Case No. 66/2019 dated 08.12.2020 shall be applicable to M/s. Dalmia Cement (Bharat) Ltd. in the present case for relaxation of the provisions under Regulations 12.6 and 12.7 of the OERC RPO Regulations, 2015 towards meeting RPO treating the Petitioner's WHRB based captive power plants as co-generation plants. Hence, the Petitioner shall be exempted from RPO when its consumption from its co-generation sources is more than its RPO for the respective time period. The state agency OREDA shall compute the RPO of the Petitioner accordingly. The petitioner is directed to provide the data/information as required by OREDA for computation of RPO. OREDA may also collect the required data/information from the office of EIC and SLDC for verifying the compliance data provided by the Petitioner. The EIC and SLDC are directed to provide the required data for the purpose as and when sought by OREDA.
9. The case is accordingly disposed of.

Sd/-
(G. Mohapatra)
Member

Sd/-
(U. N. Behera)
Chairperson