

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

**Present: Shri G. Mohapatra, Officiating Chairperson
Shri S K Ray Mohapatra, Member**

Case No. 05/2022

M/s. Hindalco Industries Ltd.
Vrs.
OREDA

..... Petitioner

..... Respondent

In the matter of: Application petition under Regulation 12.6 & 12.7 of the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015 read with OERC Notification No. OERC/RA/RE-5/2013 dated 31.12.2019 seeking permission to utilize surplus solar REC and solar power generation to comply with current and future obligation for purchasing non-solar REC for fulfillment of the total RPO.

For Petitioner: Shri Suresh Chandra Das, Vice President, Corporate Affairs.

For Respondent: Ms. Sujata Das, Verifier.

ORDER

Date of hearing: 26.04.2022

Date of order: 11.05.2022

The petitioner, M/s. Hindalco Industries Ltd. is a manufacturer of Aluminium and related products having two plants namely Hindalco Industries Ltd. located at Hirakud and its sister concern M/s. Aditya Aluminium Ltd. at Lapanga in the district of Sambalpur (Odisha). In order to cater to its power requirements in the process of manufacturing of Aluminium, the petitioner has set up Captive Power Plants with capacity of 467.5 MW at Hirakud and 900 MW at Lapanga. The petitioner is an obligated entity under OERC RPO Regulations. In its present application, the Petitioner is seeking permission to utilize the surplus solar REC & solar power generation to meet its current & future non-solar obligations for fulfillment of total RPO under OERC RPO Regulations, 2015 and amendments thereof and extension of RPO compliance till the excess solar REC is exhausted. The case was taken up for hearing through virtual mode.

2. As per OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015, minimum quantum of electricity to be procured from renewable sources by the obligated entities as percentage of total energy consumption is as under:

Year-wise Target	Solar Sources (%)	Non-solar Sources (%)	Total (%)
2015-16	0.50	2.50	3.00
2016-17	1.50	3.00	4.50
2017-18	3.00	4.50	7.50
2018-19	4.50	5.00	9.50
2019-20	5.50	5.50	11.00

3. The petitioner had been complying with the RPO as per the OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2015. However, the Commission vide its Notification No. OERC/RA/RE-5/2013/2012 dated 31.12.2019 have decided the followings in pursuance to the clarification No.30/04/2018 – R&R dated 01.10.2019 of Ministry of Power, Govt. of India under para-6.4 (1) of Tariff Policy:

- (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:

Solar Source (%)	Non Solar sources (%)	Total (%)
0.50	2.50	3.00

- (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.
- (iii) In case of any augmentation in the capacity of the CGP, the RPO for augmented capacity shall be pegged at a level prescribed by OERC for the year in which such augmented capacity is commissioned.
- (iv) While meeting the RPO, if CGP has surplus power than its consumption requirement, then such a CGP may sell its surplus power to the DISCOMs/GRIDCO under the prevailing arrangements or to any other consumer.
4. Thereafter, based on the application of the petitioner, the Commission vide its order dated 10.09.2020 in Case No. 03 of 2020 have allowed the petitioner to carry forward the excess RECs from FY 2019-20 onwards.

5. The Petitioner has submitted the followings :

- (a) The Petitioner has purchased excess RECs during the period from September, 2015 till December, 2019 prior to aforesaid OERC Notification dated 31.12.2019 on fixation of RPO for CGPs. The Petitioner is committed towards RPO compliance and in pursuance to the Order dated 10.09.2020 passed by this Commission, the Petitioner's Units at Hirakud (Hindalco) and Lapanga (Aditya) complied with RPO by adjusting the excess RECs (solar and non-solar) till December, 2021. In the meantime, the petitioner has setup a 30 MW solar plant. The Petitioner's solar REC liability is mainly met from its solar power generation and a small quantity is met from the surplus/excess Solar REC in hand. Similarly, Petitioner's non-solar liability is met from surplus non-solar RECs in hand. The Petitioner has surplus solar RECs with them which are proposed to be adjusted against compliance of non-solar obligation till the end of the available stock.
- (b) OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 was notified on 17.11.2022, which mandates the obligated entities to meet their RPO targets from their own renewable sources or procurement powers from other developers of renewable energy or by purchase of Renewable Energy from other licensee or eligible renewable power from exchanges or by way of purchase of Renewable Energy Certificates (RECs) up to the percentage of total energy consumption of such entities in a financial year.
- (c) The above OERC Regulations, 2021 further provides that incase of non-availability of REC of a particular source of renewable energy, REC from others source of renewable energy can be purchased for fulfillment of RPO. The Regulations further provides right to the obligated entity to approach the Commission in case of any genuine difficulty in complying with RPO. Further, the Commission has the power to relax any of the provisions of the Regulations on its own motion or on an application made before it by an interested person. The relevant of the portions of the said Regulations is reproduced below:

The Proviso of the Regulation 5(1)

“Provided that in the event of the Obligated Entities fulfilling the RPO by purchase of certificates, the obligation to purchase electricity from generation based on solar can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation other than solar can be fulfilled by purchase of non-solar certificates. If solar certificates are not

available in a particular year, additional non-solar certificates shall be purchased for fulfillment of RPO on that year and vice versa.

Xxxxxxx .

Power to remove difficulties

16.1- If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do anything not being inconsistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

Power to Relax

17.1- The Commission, for reasons to be recorded in writing, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.”

- (d) The petitioner’s company is one of the biggest producers of primary Aluminum in Asia and it has invested huge amount in purchasing the solar certificates & in setting up 30 MW Solar Plant. Now it has surplus Solar RECs. Therefore, it would be just & proper to permit the petitioner to utilize the surplus solar RECs to meet its current and future non-solar obligations for fulfillment of the RPO under OERC RPO Regulations notified in 2015 & 2022 and amendments thereof, as the carry forward of RECs has already been allowed by the Commission.

6. The Respondent – OREDA has submitted the following :

- (a) The Commission vide its order dated 10.09.2020 in Case No.03/2020 has already permitted to carry forward the excess RECs purchased by the petitioner for the above two plants during the period from September, 2015 to December, 2019, in order to adjust against their future RPO as per OERC Regulations, 2015 and its subsequent amendment notification No. OERC/RA/RE-5/2013/2012 dated 31.12.2019.
- (b) The CGP of M/s. Hindalco Industries Ltd. at Hirakud has five generating units with total installed capacity of 467 MW all of which were commissioned before FY 2015-16. The available excess Solar RECs with this Unit is 146668 and shortfall of Non-solar RECs is 34948 for compliance upto FY 2021-22.
- (c) The CGP of Aditya Aluminium Ltd. at Lapanga has six generating units with total installed capacity of 900 MW which were commissioned between December, 2013 to December, 2016. The excess Solar RECs available with this Unit is 384313 and shortfall of Non-solar RECs is 37834 for compliance upto FY 2021-22.

- (d) Since Regulations 4.2 of the OERC RPO Regulations, 2015 allows purchase of additional solar power in the event of non-availability of non-solar RE Power to fulfill one's obligation, in the same parlance the Commission may consider for utilization of solar RECs to fulfill non-solar obligation.
7. Heard the Petitioner and Respondent. As per the Commission's order dated 10.09.2020 in Case No.03/2020, the Petitioner was allowed to carry forward the available excess RECs from FY 2019-20 onwards and OREDA has computed the excess REC available with the petitioner for RPO compliance upto FY 2021-22. The petitioner has submitted that both plants have complied RPO by adjusting the excess RECs (Solar & Non-solar) till December, 2021 and thereafter it has surplus Solar RECs which were purchased prior to the aforesaid OERC Notification dated 31.12.2019, but there is non-availability of Non-solar RECs to meet the Non-solar RPO. The petitioner has prayed for utilization of surplus Solar RECs to meet its future Non-solar RPO. OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021 provides for utilization of solar RECs in case of non-availability of non-solar RECs for fulfillment of RPO in a particular year.
8. In view of the above, the Commission exercising its power Regulation 16.1 of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021, allows the petitioner to utilize surplus solar RECs purchased by it prior to the OERC Notification No. OERC/RA/RE-5/2013/2012 dated 31.12.2019 for meeting its non-solar RPO in future years. After exhaustion of such surplus solar RECs, the RPO of the petitioner shall be governed as per the provisions of OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2021. The OREDA is directed to verify the RPO compliance of the petitioner on the above manner.
9. The case is accordingly disposed of.

Sd/-
(S. K. Ray Mohapatra)
Member

Sd/-
(G. Mohapatra)
Officiating Chairperson