

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

(Renewable Purchase Obligation, its Compliance and Implementation of REC Framework)

Regulations 2010

Sl. No.	Description	Summary
1.	Short Title, Extent and Commencement	Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and REC Framework Implementation) Regulations 2010. To come into force from the date of their publication in the official Gazette.
2.	Scope of Regulations and Extent of Application	To be applicable in all cases where the State Commission is to promote co-generation from renewable sources and generation of electricity from renewable sources and is to specify a percentage for procurement of energy generated from such sources on the basis of total consumption of electricity within the area of Distribution Licensee. To apply to Distribution Licensees, Captive users and Open Access Consumers within Maharashtra.
3.	Renewable Energy Purchase Obligation	
	(i) Eligible Renewable Energy Sources	Energy generation from all types of renewable energy sources as recognized or approved by the MNRE shall be considered. These renewable energy sources shall include without limitation to following: (a) Non-fossil fuel (including Bagasse) based Co-generation projects (both qualifying and non-qualifying co-generation projects). (b) Wind energy (c) Bio-mass power based on Rankine Cycle technology (d) Small Hydro, Mini Hydro, Micro Hydro Power (e) Municipal Waste based Power (f) Solar Power (f) Any other source as may be recognized or approved by State Commission/MNRE. Provided that generation from existing renewable energy generation projects commissioned under earlier policy and regulatory regime shall continue to be recognized as eligible renewable energy sources for the purpose of Renewable Purchase Obligation (RPO) Compliance over the operating period as outlined under point 5 (Regulation Order- 6). Procurement of Renewable Energy Certificates issued for renewable energy generation outside the State of Maharashtra as well as Renewable Energy Certificates (RECs) issued for renewable energy generation within the State of Maharashtra shall be considered as an eligible instrument for the purpose of RPO Compliance by obligated Entities with the State of Maharashtra over the operating period as outlined under point 5 (Regulation Order- 6).
	(ii) Obligated Entities	The Minimum percentage as specified under Regulation 7.1 shall be applicable subject to following conditions: (a) Grid connected Captive generating plant with Installed capacity 1 MW and above, consumes electricity for his captive use shall be subjected to minimum percentage of RPO to the extent of his consumption met through such captive source. Standby (emergency back up) Captive generating plant facilities shall be excluded. (b) Open access consumers having contract demand not less than 1 MVA.
	(iii) Operating Period	From date of notification up to March 31, 2016.
	(iv) Renewable Purchase Obligation (RPO) target	(a) Every 'Obligated Entity' shall procure electricity generated from eligible renewable energy sources at the percentages as per the following schedule:

Year	Minimum Quantum of purchase(in %) from renewable energy sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
2010-11	0.25%	5.75%	6.0%
2011-12	0.25%	6.75%	7.0%
2012-13	0.25%	7.75%	8.0%
2013-14	0.50%	8.50%	9.0%
2014-15	0.50%	8.50%	9.0%
2015-16	0.50%	8.50%	9.0%

Distribution Licensee shall meet 0.1% per year of its Non-Solar (other RE) RPO obligation for the period from FY 2010-11 to FY 2012-13 and upto 0.2% of its Non-solar (other RE) RPO obligation for the period from FY 2013-14 to FY 2015-16 by way of purchase from Mini Hydro or Micro Hydro power project.

(b) Every "Obligated Entity" may meet its RPO target by way of own generation or procurement of power from RE developer or by way of purchase from other licensee or by way of purchase of renewable energy certificate or by way of combination of any of the above options.

<p>(v) Certificates under the Regulations of the Central Commission</p>	<ul style="list-style-type: none"> - The Certificates issued under the Central Electricity Regulatory Commission (Terms and conditions for recognition and issue of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall be valid instruments for the discharge of the mandatory obligations set out in these Regulations for the obligated entities to purchase electricity from renewable energy sources. 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 renewable energy other than solar can be fulfilled by purchase of non-solar certificates. - The obligated entity shall act in consistent with CERC Regulations 2010 in regard to procurement of Certificates for fulfillment of RPO. - Certificate purchased by obligated entity from Power Exchange shall be deposited with the State Commission.
<p>(vi) State Agency</p>	<p>The State Commission shall designate an agency as State Agency for accreditation and recommending the renewable energy projects for registration and to undertake functions under these Regulations.</p>
<p>(vii) Distribution Licensee</p>	<p>Each Distribution Licensee shall indicate, along with sufficient proof, the estimated quantum of purchase from renewable energy sources for each year of the Operating Period under the Business Plan as well as under MYT Petition in accordance with Regulations notified by the State Commission and accordingly shall enter into long term arrangement to meet its RPO obligations. If Distribution Licensee is unable to fulfill the obligation they shall be liable to pay RPO Regulatory charges as given at point (ix) below.</p>
<p>(viii) Captive Users and Open Access Consumers</p>	<ul style="list-style-type: none"> - Every Captive User and Open Access consumer shall submit necessary details regarding total consumption of electricity and power purchase from renewable energy sources towards fulfillment of its RPO on monthly basis to the State Agency. - They shall purchase renewable energy and accordingly shall enter into long term arrangement to meet its RPO obligation. They may fulfill their RPO through procurement of Renewable Energy Certificates. - If Captive User and Open Access consumer are unable to fulfill their obligation they shall be liable to pay RPO Regulatory charges as given at point (ix) below. The Captive User consuming power from grid connected fossil fuel based co-generation plants are exempted from applicability of RPO target.

	(ix) RPO Regulatory Charges	If the Obligated Entity fails to comply with the RPO target as provided in these Regulations during any year and fails to purchase the required quantum of RECs, the State Commission may direct the Obligated Entity to deposit into a separate fund, to be created and maintained by such Obligated Entity, such amount as the Commission may determine on the basis of the shortfall in units of RPO, RPO Regulatory Charges and the Forbearance Price decided by the Central Commission separately for solar and non-solar RPO.
	(x) Monitoring and Implementation Framework	A Monitoring Committee shall be constituted under the aegis of Grid Co-ordination Committee (GCC), within thirty (30) days of notification of these Regulations. Every member of GCC shall have representation on the Monitoring Committee. The monitoring Committee shall be responsible for addressing issues of energy accounting and monitoring of every transaction.
4.	Renewable Energy Pricing	
	(i) Pricing principles for the new renewable energy projects to be commissioned during new Operating Period	All the new renewable energy projects commissioned during the Control Period, i.e., after March 31, 2010, shall have an option of following either the tariff structure and other conditions as stipulated in the MERC (Terms and Conditions of determination of RE tariff) Regulations, 2010, or adopt the REC mechanism for pricing of the electricity generated from the project Provided that such projects that opt for either preferential tariff or REC mechanism, shall have to continue with the selected pricing mechanism for the entire Tariff Period or until validity of PPA; whichever is later, as outlined under MERC (Terms and Conditions of determination of RE tariff) Regulations, 2010.
	(ii) Renewable Energy Pricing under REC Mechanism	The REC mechanism entails pricing of two components, namely, electricity component and renewable energy component. For the purpose of the Operating Period from FY 2010-11 to FY 2015-16, the effective electricity component price shall be equivalent to Pooled Cost of power purchase of the Utility where such RE generation project is situated whereas the price of REC shall be as discovered in the Power Exchange.
	(iii) Pricing for Existing RE Projects during the new Operating Period	The tariff structure and other conditions for existing renewable energy projects have already been covered under respective renewable energy Tariff Orders issued by the State Commission and the same shall continue to be operative during the Operating Period, FY 2010-11 to FY 2015-16 as well.
5.	Others	
	(a) Grid Connectivity Framework	The licensee shall be responsible for development of evacuation infrastructure beyond the inter-connection point while developer/generating company to develop evacuation infrastructure from generation facility up to the interconnection point at its own expense.
	(ii) Power to Relax	Vested with the Commission.
	(iii) Power to Amend	Vested with the Commission
	(iv) Power to Remove difficulties	Vested with the Commission