

No. Comm/MERC/2016/

No 11930

Date: **27 APR 2016**

To
The Secretary,
Maharashtra Electricity Regulatory Commission,
13th Floor, Centre No.1, World Trade Centre,
Cuffe Parade, Mumbai - 400 005.

Sub: Petition for seeking extension for time for meeting RPO shortfall on cumulative basis in respect of Non Compliance of RPO Targets by MSEDCL for FY 2014-15.

Ref: MERC Case No. 16 of 2016 (Verification of RPO Compliance for FY 2014-15)

Respected Sir,

With reference to the above subject, please find enclosed herewith the MSEDCL petition for seeking extension for time for meeting RPO shortfall on cumulative basis in respect of Non Compliance of Renewable Purchase Obligation Targets by MSEDCL for FY 2014-15.

The requisite fees of Rs. 10000/- (Rs. Ten Thousand Only) is submitted herewith Demand Draft No. **28402**, dated 27.04.2016

Submitted for further needful please.

Thanking you,

Yours faithfully,

(Signature) 27/4/16
Chief Engineer (Commercial)

Copy s. w. r. to:

1. The Director (Operations), MSEDCL, Mumbai.
2. The Executive Director (Commercial), MSEDCL, Mumbai.

Copy to:

1. Prayas (Energy Group),
Amrita clinic, Athwale Corner, Lakdipool-Karve Road Junction,
Deccan Gymkhana, Karve Road, Pune - 411 004
2. Mumbai Grahak Panchayat,
Grahak Bhavan, Sant Dnyaneshwar Marg,
Behind Cooper Hospital, Vile Parle (West), Mumbai - 400 056
3. The General Secretary, Thane Belapur Industries Association,
Plot No. P-14, MIDC, Rabale Village, PO Ghansoli, Navi Mumbai - 400 701
4. Vidarbha Industries Association,
1st Floor, Udyog Bhavan, Civil lines, Nagpur - 440 001
5. Maharashtra Chamber Of Commerce,
Industry & Agriculture, Oricon House, 6th Floor,
12 K. Dubash Marg, Fort, Mumbai-400 001

**BEFORE THE MAHARASHTRA STATE ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

Filing No.: _____

Case No.: _____

In the matter of:

Petition for seeking extension for time for meeting RPO shortfall on cumulative basis in respect of Non Compliance of Renewable Purchase Obligation Targets by MSEDCL for FY 2014-15.

Affidavit

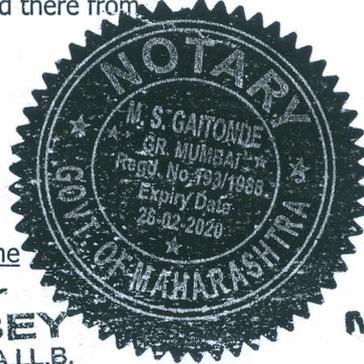
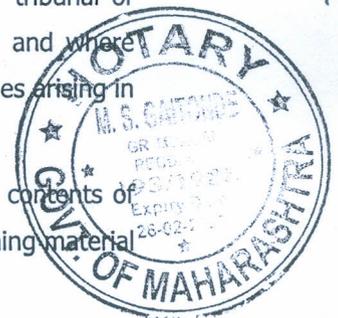
I, Bhalchandra Y. Khandait, aged 53 years, having my office at Maharashtra State Electricity Distribution Co. Ltd, Prakashgad, Plot No. G -9, Anant Kanekar Marg, Bandra (East), Mumbai 400051, do solemnly affirm and say as follows:

I am Chief Engineer (Commercial) of the Maharashtra State Electricity Distribution Company Limited (hereinafter referred to as "MSEDCL" for the sake of brevity), the Respondent in the above matter and am duly authorized to make this affidavit.

The averments made in the enclosed petition in the matter of the petition filed by Maharashtra State Electricity Distribution Company Limited are based on the information received from the concerned officers of the Company and I believed them to be true.

I say that there are no proceedings pending in any court of law / tribunal or arbitrator or any other authority, wherein the petitioner is a party and where issues arising and or reliefs sought are identical or similarly to be issues arising in the matter pending before the Commission.

I solemnly affirm at Mumbai on this 27th Day of April, 2016 that the contents of this affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.



Identified before me

P. K. DUBEY
B.A.L.L.B.
ADVOCATE HIGH COURT
Lawyer's Chamber Bhaskar Bldg.,
2nd Floor, Bandra Court,
Bandra (East), Mumbai - 400 051.

(Signature)
Chief Engineer (Commercial)
Respondent MSEDCL

BEFORE ME

M. S. GAITONDE
B.A.L.L.M
NOTARY
GREATER MUMBAI
GOVT. OF MAHARASHTRA
INDIA

NOTED	REGISTER
Sr. No. / 090	27-4-2016

BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI

Filing No.: _____

Case No.: _____

IN THE MATTER OF

Verification Of Compliance Of Renewable Purchase Obligation Targets By
MSEDCL For FY 2014-15

AND

IN THE MATTER OF

Regulation 18 of the MERC (Renewable Purchase Obligation, Its Compliance
and Implementation of REC Framework) Regulations, 2010

AND

IN THE MATTER OF

Regulation 20 of the MERC (Renewable Purchase Obligation, Its Compliance
And Implementation Of REC Framework) Regulations, 2010

AND

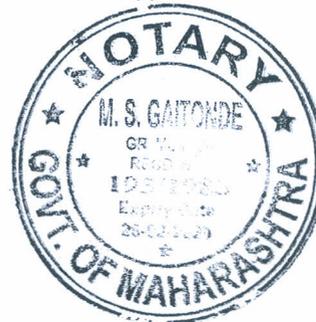
IN THE MATTER OF

Maharashtra State Electricity Distribution Company Limited, Prakashgad,
Bandra (East), Mumbai - Petitioner

The Maharashtra State Electricity Distribution Company Ltd. respectfully submits:

1. Background

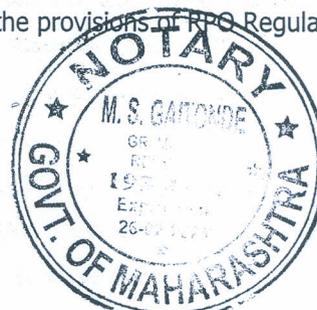
- 1.1. Maharashtra State Electricity Distribution Company Limited (hereinafter to be referred to as the "Petitioner" or "MSEDCL") is a Company constituted under the provisions of Government of Maharashtra General Resolution No. PLA – 1003 / C. R. 8588 dated 25th January 2005 and is duly registered with the Registrar of Companies, Mumbai on 31st May 2005. MSEDCL is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged, within the framework of Electricity Act, 2003, in the business of distribution of electricity to its consumers situated over the entire State of Maharashtra, except Mumbai City & its suburbs (excluding Mulund & Bhandup).



- 1.2. Maharashtra Electricity Regulatory Commission (hereinafter to be referred to as the "MERC" or "Hon'ble Commission") was established on 5th August, 1999 as per the provisions of the Electricity Regulatory Commission Act, 1998 which was superseded by the Electricity Act 2003 (hereinafter to be referred to as the "Act"). Functioning of Hon'ble Commission continued as provided in the Section 82 of the Act. Hon'ble Commission is mandated to regulate the Electricity Sector in the state of Maharashtra in a transparent, effective and efficient manner and to regulate tariffs of power generation, transmission and distribution and to protect the interests of the consumers and other stakeholders.
- 1.3. Hon'ble Commission has notified the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2010 (hereinafter to be referred to as the 'RPO Regulations') on 7th June, 2010. These Regulations specify the Renewable Purchase Obligation (RPO) targets for Obligated Entities, including MSEDCL for FY 2010-11 to FY 2015-16 as shown in following table.

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%

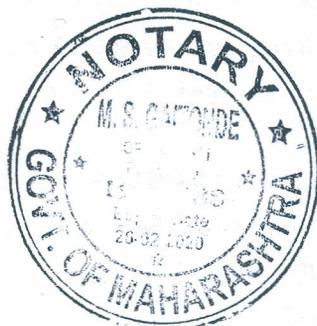
- 1.4. As per Regulation 10.4 of the RPO Regulations, 2010, a Distribution Licensee is obliged to submit, at the end of each financial year, a detailed statement of energy procurement from various Renewable Energy (RE) sources, duly certified by the auditors. Since FY 2014-15 was over, Hon'ble Commission decided to initiate suo-motu proceedings for verification of compliance of RPO targets by MSEDCL for FY 2014-15 and undertake consequent actions if required in accordance with the Regulations. (Case No. 16 of 2016).
- 1.5. The Hon'ble Commission concluded the proceedings of Case No. 16 of 2016 by conducting a public hearing on 29.02.2016. The Petitioner most humbly submits that during the said proceedings on 29.02.2016, the Petitioner put forth the efforts taken for fulfilment of RPO Compliance and also the difficulties faced thereof. Therefore, the Petitioner hereby approaches the Hon'ble Commission for removal of difficulties in giving effect to the provisions of RPO Regulations.



2. Submissions of MSEDCL

2.1. Efforts taken by MSEDCL to meet RPO

- 2.1.1. The Petitioner has always encouraged RE generation in the State and taken a lot of efforts to ensure compliance of RPO targets in respect of Solar, Non-Solar and Mini / Micro hydro.
- 2.1.2. The GoI has formulated the National Electricity Policy and National Tariff Policy as per the provisions of Electricity Act, 2003. Both these policies provide for necessary measures to encourage the development of renewable sources of energy.
- 2.1.3. The Electricity Act' 2003 mandates promotion of Renewable Energy and cast the responsibility of the same on State Governments & SERCs. From time to time, Government of Maharashtra has encouraged the development of RE Sources by formulating various policies in line with the Central Government Policies since 1996. These Policies were successfully implemented in the State and the State has achieved significant progress in the Development of RE Sources. These policies used to be considered as Win-Win policies for the Investor, Licensee and Consumers.
- 2.1.4. From time to time, Hon'ble Commission has issued various orders for Tariff determination for RE Sources along with terms & conditions for tariff determination and power purchase from RE Sources including Wind Power Projects, Cogeneration Power project based on Bagasse, Biomass based Power Generation project, Municipal Solid Waste based Power Generation project and Small Hydro Power projects. Further, the Hon'ble Commission has made it mandatory to purchase certain fixed portion from RE Source for the Licensees and others through Renewable Power Purchase Obligations (RPO) Regulations.
- 2.1.5. As a result of various encouraging steps to promote RE Generation in the State, the Installed Capacity of wind has reached to more than 4443 MW in the year 2014-15 starting from 32 MW in 1999. The total RE installed capacity of the state has reached to 6743 MW. Further, the Petitioner has pro-actively participated in the development process by providing necessary infrastructure and guarantee of purchase. This is in line with the letter and spirit of various policies of promoting RE even through it has put some burden on the consumers of Maharashtra.



A) Efforts taken for meeting Non-Solar RPO target

The Petitioner has executed long term Energy Purchase Agreement (EPA) with Renewable (Non Solar) generators approaching the petitioner at preferential tariff in line with terms and condition specified by the Commission from time to time.

The Petitioner has contracted sufficient renewable power for meeting the year wise RPO targets for FY 2014-15 & FY 2015-16. The details are as below:

Source	Contracted Capacity as on 31.3.2015	Commissioned Capacity as on 31.3.2015	Expected Capacity addition in (FY 15-16)*	CUF / PLF	Expected generation in MUs in FY 15-16
Wind	3012	3012	250 (FY 15-16) approx. + 347 (FY14-15) =597	20%	6328
Bagasse	1775	1642	125	60%	6106
Biomass	201	147	0	80%	1030
Small Hydro	69	65	4	30%	181
Mini/Micro Hydro	1.7	1.7	0	30%	5
Total	5059	4868	669		13650

**subject to the decision of GoM/ RE policy*

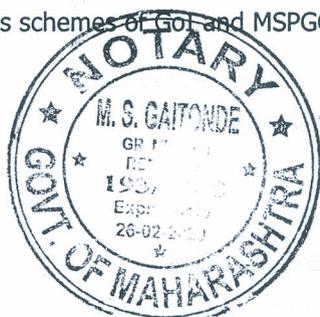
Apart from the direct purchase at promotional feed-in-tariff, around 564 MW of Wind is supplied to the subsidizing consumers of the Petitioner. This Open access is facilitated in a non-discriminatory manner and full infrastructure support is provided by the petitioner.

It is further submitted that, the estimated GEC of the petitioner for FY 15-16 will be around 1,20,000 MUs. To fulfill the 8.5% Non-Solar RPO target, around 10,200 MUs RE will be required.

Considering the CUF as specified by MERC/MEDA, around 13,650 MUs of RE is expected to be generated and procured by the Petitioner. Therefore, the Petitioner expects to meet RPO target for FY 14-15, 15-16 and onwards.

B) Efforts taken for meeting Solar RPO target

The Petitioner has executed long term power purchase agreements for the total capacity 327 MW as on date to meet the solar target from FY 2010-11 onwards under various schemes of GoI and MSPGCL. The details are as under:



Sr. No	Project Owner name M/s.	Location	Capacity in MW	Date of MOU/	Date of EPA	Date of Commissioning
1	MSPGCL	Chandrapur	1		30.08.2009	20.04.2010
2	Dr. Babasaheb Ambedkar SSKL	Osmanabad	1	20.10.2011	20.08.2010	16.08.2011
3	Clover Solar Pvt.Ltd	Supa, Baramati	2	PSA dated 15.10.2010		10.10.2011
4	MSPGCL	Chandrapur	4			16.10.2011
5	Videocon Industries	Warora, Chandrapur	5			14.10.2011
6	Sepset Constructions Ltd	Katol	2	20.10.2011	20.08.2010	16.11.2011
7	Citra Real Estate Ltd	Katol	2	20.10.2011	20.08.2010	16.11.2011
8	MSPGCL	Sakri, Dhule	125		05.01.2011	29.03.2013/ 01.04.2013
9	MSPGCL	Sakri, Dhule	15		15.03.2012	
10	Sai Baba Green Energy Pvt.Ltd	Osmanabad	5	PSA dated 05.01.2012		13.02.2013
11	Firestone Trading Pvt. Ltd	A'Nagar	5			06.09.2012
12	MSPGCL	Shirshufal, Tal. Baramati	36 14	NA	31.08.2013	20.12.2014
13	MSPGCL	Koudgaon, Osmanabad	50			
14	MSPGCL	Sakri, Dhule	10		29.03.2014	
15	JNNSM Phase II Batch I Projects		50	PSA dated 15.12.2014		
		Total	327			

The Petitioner has given consent for procurement of 500 MW solar power under JNNSM Phase-II (Batch-III) state specific scheme implemented by nodal agency Solar Energy Corporation of India (SECI). The SECI has carried out the tendering process for selection of 500 MW solar power projects situated in Maharashtra under the said scheme.

It is further submitted that the proposal of procurement of additional 500 MW Solar Power from SECI is also given to Ministry of New & Renewable Energy recently by the petitioner.

Thus, it can be considered that the Petitioner has contracted for 1327 MW (327MW+500MW+500MW) Solar Power. (827 MW firmed up and 500MW committed by the Petitioner for procurement from SECI).

The gestation period of Solar Power Projects is less i.e. about 6-8 months and hence the solar power will be available mostly in FY 2016-17 and onwards.



The Petitioner also submits that in view of proposed developments of Solar Energy Projects by MSPGCL, which is a State Government Company, the Petitioner is procuring the solar power required for fulfilling the RPO target from MSPGCL projects as per the tariff determined by Hon'ble Commission. However, it is observed that the MSPGCL solar projects are likely to be delayed and therefore it will take some time for MSPGCL plants to operationalize.

At the same time, the Petitioner is also purchasing solar power from all those solar projects which have participated in various schemes of Jawaharlal Nehru National Solar Mission of Government of India.

The Petitioner is contracting solar power also with SECI for expediting procurement of solar power for fulfillment of Solar RPO.

C) Efforts taken to meet Mini-micro Hydro RPO Target

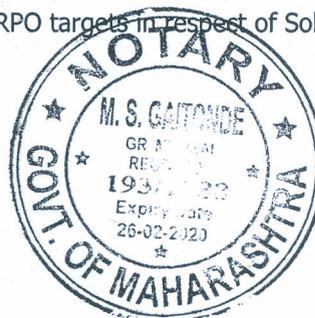
Mini / Micro Hydro projects are those having capacity below 1 MW. Currently, there are only 3 projects commissioned under this category namely, Shahnoor (0.75 MW), Yeoteshwar (0.075 MW) and Tervanmedhe, MSPGCL (0.2 MW). The first two are Government Projects and are very old projects. The power is procured from them as per MERC SHP tariff order dated 09.11.2005 and MERC RE tariff order dated 14.07.2010.

The Petitioner further submits that the EPAs are being executed with all the RE project holders approaching this office for sell of power to the Petitioner. Accordingly, the Petitioner is willing to execute the long term EPA with all the Mini/ Micro project holders in order to fulfill mini-micro RPO target, as and when they approach.

However, no substantial capacity addition (except for M/s. Krishna Valley 1 MW selling to BEST) has taken place during FY 2013-14, FY 2014-15 & FY 2015-16 and perhaps the same scenario is likely to continue in near future.

Hence, the Petitioner requests the Hon'ble Commission to consider the ground realities and cancel the separate categorization of Mini/Micro Hydro RPO target.

- 2.2. The Petitioner therefore most respectfully submits that the Petitioner has tried to the extent possible to ensure compliance of RPO targets in respect of Solar, Non-Solar and Mini/Micro Hydro.



2.3. GoM New Composite RE Policy 2015:

2.3.1. The Government of Maharashtra has announced the New Composite RE Policy-2015 vide GR dated 20.07.2015 which envisages 14400 MW RE capacity addition in the state.

2.3.2. 5000 MW capacity addition is expected in wind sector in coming 5 years. Out of that, 1500 MW Wind Power Projects are considered for meeting the RPO target of Distribution Licensees in the state of Maharashtra.

2.3.3. Further, 7500 MW of Solar Projects (2500 MW for RPO), 1000 MW Bagasse based cogeneration projects, 400 MW Small Hydro Projects, 200 MW industrial Waste projects and 300 MW Biomass Based Projects are expected to be installed in the state in coming 5 years.

2.3.4. The Petitioner further submits that it has taken a policy decision to adopt the GoM RE Policy 2015 as it is for implementation. Therefore, the Petitioner would contract the Renewable Energy generated from the new RE Projects in the State for fulfillment of its RPO target as per the requirement in due course of time. Considering the huge policy target and the expected RE capacity addition, it is submitted that the Petitioner would be able to fulfill the RPO target including the past shortfall in the next 3 years of time period.

2.3.5. In view of the above, it is respectfully submitted that the Petitioner may be permitted to carry forward the shortfall to next review period for cumulative compliance.

2.4. Participation of MSEDCL in UDAY Scheme declared by the GoI:

2.4.1. It is submitted that the Petitioner has recently agreed to participate in the UDAY scheme announced by the Ministry of Power, Government of India.

2.4.2. Brief details are submitted below:

UDAY (Ujwal DISCOM Assurance Yojana) for financial turnaround of Power Distribution Companies:

The Union Cabinet has given its approval to a new scheme moved by the Ministry of Power - Ujwal DISCOM Assurance Yojna or UDAY on 20.11.2015. UDAY provides for the financial turnaround and revival of Power Distribution companies (DISCOMs), and importantly also ensures a sustainable permanent solution to the problem. UDAY is a path breaking reform for affordable and accessible 24 x 7 Power for All.



Salient Features:

- States shall take over 75% of DISCOM debt as on 30 September 2015 over two years - 50% of DISCOM debt shall be taken over in 2015-16 and 25% in 2016-17.
- Government of India will not include the debt taken over by the States as per the above scheme in the calculation of fiscal deficit of respective States in the financial years 2015-16 and 2016-17.
- State DISCOMs will comply with the Renewable Purchase Obligation (RPO) outstanding since 1st April, 2012, within a period to be decided in consultation with Ministry of Power.

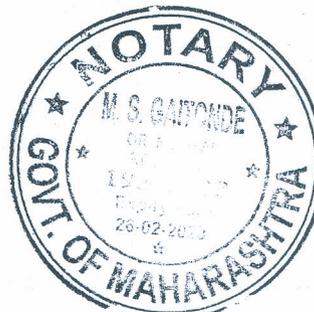
It is thus submitted that by participating in UDAY, MSEDCL has agreed to abide by the all the required conditions which also includes RPO compliance since 01.04.2012 within a period to be decided in consultation with the Ministry of Power.

In view of the above, it is submitted that the Ministry of Power, Government of India is going to declare the time period for fulfilment of pending RPO compliance since 01.04.2012.

In line with the above, it is requested to grant time extension to the Petitioner for RPO compliance by carrying forward the shortfall to next review period.

3. Grounds for the present Petition:

- 3.1. The Petitioner approaches this Hon'ble Commission respectfully and humbly submits that the situation demands exercise of powers by this Hon'ble Commission under Regulation 18 and Regulation 20 of the MERC (RPO, it compliance and Implementation of REC Framework) Regulations, 2010. Over the years various facets and factors have come to the fore in terms of fixing the RPO. The paramount consideration for fixing RPO on the obligated entities are as under:
- a. Undertaking an exercise to ascertain availability of RE Sources in the region – potential, expected and actual capacity addition.
 - b. Price Fixation of RE Sources
 - c. Supply constraints if any,
 - d. Regulatory over view of the fixed RPO Targets
 - e. Availability and purchase of RECs on sound economic principles
 - f. Periodic review of the pricing mechanism
 - g. Periodic review of technological advances



3.2. Need for Determination of Realistic RPO Targets

3.2.1. The Hon'ble Commission vide its MERC (RPO-REC) Regulations, 2010 has specified the RPO target from FY 2010-11 up to FY 2015-16 to be fulfilled by the obligated entities such as Discoms, CPP holders and Open Access Consumers.

3.2.2. However, it appears that while specifying the said RPO target, no special tools / data / measures were available to ascertain the actual availability / actual RE potential in the State. The Petitioner submits that in absence of such tools, the RPO Targets were fixed without ascertaining as to whether sufficient power from Renewable Sources is available or not. This can be seen from the CUF potential expected in the EPA and the actual CUF achieved. This inefficiency is getting passed on to the common consumers of the Petitioner.

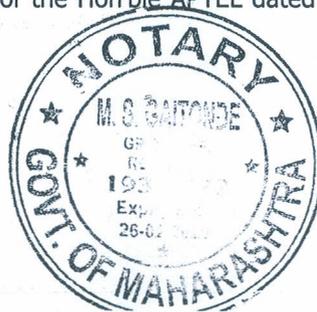
3.2.3. The Petitioner most respectfully submits that the Para 6.4 (1) of the Tariff Policy mandates that the SERCs shall fix a minimum percentage for purchase of renewable energy after taking into account availability of such resources in the region and its impact on retail tariffs. However, in absence of scientific tools with MEDA, Hon'ble Commission has relied on the details as provided by MEDA for fixing RPO targets.

3.2.4. The Petitioner further would like to draw attention of the Hon'ble Commission towards a Judgment of APTEL, New Delhi dated 14th November 2013 (Appeal No.265 of 2012) in the matter of M/s BEST wherein it was ruled that the Commission ought to have ascertained the availability of power from such sources at the approved rate.

3.2.5. The relevant extract is reproduced below:

"...
The State Commission first fixed the Renewable Purchase Obligations without ascertaining as to whether power from Renewable Sources is available or not. Para 6.4 (1) of the Tariff Policy requires the State Commission to ascertain that the power from Renewable Energy Sources is available in the region before fixing the Renewable Purchase Obligations. Accordingly, the Commission ought to have ascertained the availability of power from such sources at the approved rate. Only, then, it should have directed the licensees that it would approve the power purchases cost from Renewable Energy sources at rate to be approved by the Commission in future. This was not done by the State Commission in the present case. The approach adopted by the State Commission was incorrect.
..."

3.2.6. The Petitioner craves leave of this Hon'ble Commission to refer to and rely upon the said Judgment and Order of the Hon'ble APTEL dated 14th November 2013 when produced.



3.2.7. The Petitioner further submits that presently the RPO compliance of all four Discoms namely MSEDCL, TPC, BEST and R- Infra is only being monitored through suo-motu proceedings by the Hon'ble Commission.

3.3. Increase in GEC & RPO target & Insufficient RE Capacity Addition

3.3.1. The Petitioner most humbly submits that the Gross Energy Consumption (GEC) of the Discoms is increasing day by day in line with load growth and so are the RPO targets. However, in line with the increase in GEC, load growth or RPO Targets, the capacity addition in RE sector is not taking place.

3.3.2. Hence, in FY 2014-15 shortfall is being observed in meeting the RPO target by all Distribution Licensee in State including the Petitioner in particular. It is observed that the other Discoms TPC, R-Infra & BEST are fulfilling the gap in meeting RPO target by purchasing RECs.

RPO Fulfillment of MSEDCL & RE Shortage for FY 2014-15:

(In MUs)

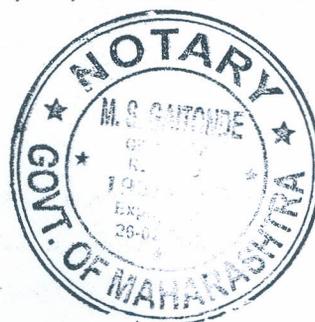
MSEDCL (GEC)	114678		
Solar RPO	Target (0.5%)	Met	Shortfall
	550	274	276
Non-Solar RPO	Target (8.48%)	Met	Shortfall
	9347	8701	647
Mini/Micro Hydro RPO	Target (0.02%)	Met	Shortfall
	18.70	0.86	17.84

MSEDCL's Cumulative Shortfall

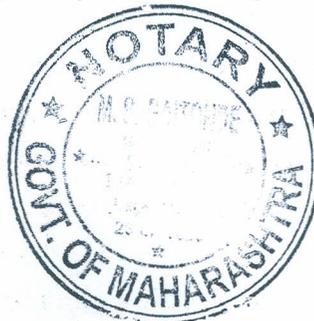
FY	Shortfall		
	Non Solar MUs	Solar MUs	Remark
2013-14	1078	926	MERC Finalized
2014-15	647	276	Provisional
Total	1725	1202	

3.3.3. Thus, it is observed that to meet the MERC specified 8.5% Non solar RPO target of FY 2014-15, there is a total shortfall of around 647 Mus (i.e.) 0.63 %. Similarly for 0.5% of Solar RPO Target, there is a total shortfall of around 276 Mus (i.e.) 0.25%.

3.3.4. The Petitioner also submits that the compliance by the other obligated entities such as CPPs / Open Access consumers is not taken into consideration here which may further increase the shortfall for the State as a whole. The Petitioner therefore submits that the scientific study of potential available in the State is necessary for fixing the RPO targets.



- 3.3.5. In view of the submissions made in the above paragraphs, it has become necessary to ascertain the actual RE potential in the State and the actual number of RE generators who are ready to exercise the option of sale to Licensees. The RPO targets need to be reviewed accordingly. Alternately, if there is no RE available for purchase, the shortfall in meeting the RPO targets needs to be waived, relaxed or allowed to carry forward.
- 3.3.6. There has been a huge variation in the potential assessment and actual installed capacity. The Hon'ble Commission is required to set the RPO targets considering the assessed potential and current installed capacity. Therefore, the Petitioner submits that the RPO targets need to be consistent with the actual capacity addition and scientific assessment of RE potential.
- 3.4. Actual RE Generation not as per CUF:
- 3.4.1. The Petitioner has contracted adequately with RE generators to fulfil the RPO target up to FY 2015-16. The Non Solar contracted capacity as on 31.03.2015 is 5059 MW out of which the Commissioned capacity is 4868 MW. The expected generation from commissioned capacity (non solar) as on FY 2014-15 was 12167 MUs. However, the units injected are only 8701 MUs as against expected generation of 12167 MUs.
- 3.4.2. This establishes that either the CUF projections are to be rationalized or the RE Generator's efficiency has to be improved. The inefficiency of the generator cannot be continued to pass on the common consumers of the MSEDCL.
- 3.4.3. If RE generator for whatever reasons including natural reasons beyond their control is not able to generate enough MUs then Petitioner cannot be penalized as these so called natural reasons or inefficiencies of generator are beyond control of Petitioner also. The Petitioner may not be expected to increase the contracted capacity beyond its requirement. If the Petitioner contracts more capacity and if entire capacity works at given CUF then the Petitioner will have to buy RE power more than required and this being costlier power will burden the common consumers of MSEDCL and that may hurt their interest.
- 3.5. Open Access in RE V/s RPO Fulfilment:
- 3.5.1. The Open access facility is available to the RE generators. This OA facility is provided with various benefits to the Open Access consumers sourcing RE power such as TOD time-slot wise energy accounting, Concessional (25%) Cross Subsidy Surcharge, Banking facility, exemption from the provision of Reduction of Contract Demand etc.



- 3.5.2. The open access consumers sourcing RE, availed these benefits along with the cheaper power offered by wind power projects especially from old projects, which have completed the EPA tenure by supplying wind power at promotional rate and fully recovering the costs and RoE from the consumers of Maharashtra.
- 3.5.3. Further, the RE generators can claim REC benefit on the quantum of renewable energy supplied under Open Access; over and above the cost of power supplied. Considering such benefits, more and more RE generators have opted for Open Access in recent years.
- 3.5.4. The increase in the quantum of Wind Open Access is as under:

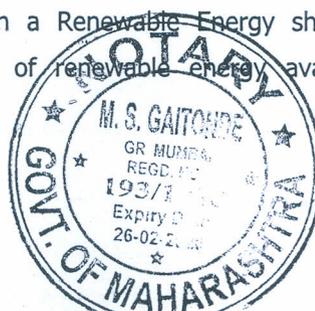
Source	FY 2010-11 (MUs)	FY 2011-12 (MUs)	FY 2012-13 (MUs)	FY 2013-14 (MUs)	FY 2014-15
Wind	----- 373.260	(560 MW) 572.149	(563 MW) 793.510	(583 MW) 1055	(502 MW) 553*

* The Wind Open Access quantum got reduced in FY 2014-15 because many open access consumers could not avail open access due to non compliance of mandatory requirement of installation of SEM.

The RE Open Access other than wind are also on rise as under:

Source	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Biomass, Bagasse Co-gen, SHP etc OA MUs	36.5	36.5	47.17	92	92

- 3.5.5. Thus, this RE power wheeled under open access around 645 MUs is not available to the Petitioner for purchase towards RPO compliance. It is to submit that the shortfall of the Petitioner in meeting the RPO target for FY 2014-15 is around 647 MUs. Thus, it can be seen that the RE Open access has direct bearing on the RPO target compliance of the Petitioner. The open access is also hurting the RPO Compliance and putting additional burden on to the common consumers of petitioner.
- 3.5.6. During various proceedings, the Hon'ble Commission has always taken a view to promote generation of electricity from RE sources and has also encouraged RE open access by providing RE generators / RE open access consumers various concessions and benefits.
- 3.5.7. The Renewable Purchase Obligation target thus needs to be reviewed by considering units sold in OA transactions.
- 3.5.8. It is respectfully submitted that, in a Renewable Energy shortage scenario prevailing in the State (in terms of renewable energy available for RPO



compliance), the RE open access and RPO compliance of Licensees seem to be moving exactly in opposite directions. If RE open access is encouraged freely, the quantum of RE available for RPO compliance gets affected / reduced and hence a shortfall is observed in meeting RPO target.

3.5.9. In view of the above, it is submitted that, the promotion of RE Open Access needs to be factored in, while reviewing / deciding the Renewable Purchase Obligation of the Petitioner and accordingly, the same needs to be linked with the corresponding reduction in the Non-solar / Solar RPO target of the Petitioner.

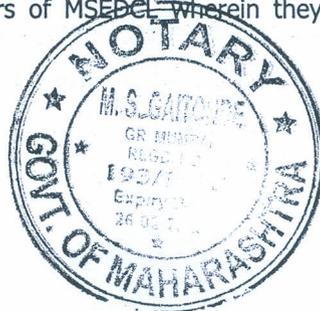
3.6. Additional Information: Regulatory provisions of other SERC:

3.6.1. West Bengal Electricity Regulatory Commission has issued Notification No. 50/WBERC, Kolkata on the 22nd March, 2013 and has notified the WBERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2013. The relevant provisions regarding RPO fulfilment by Discom in the above said regulations are reproduced below for reference:

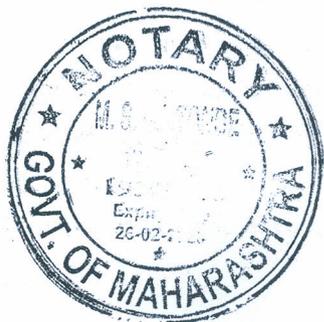
3.10 The energy drawal by any open access customer in the area of distribution licensee through purchase of such energy from any renewable and/or cogeneration source shall also be considered for meeting the RPO of the distribution licensee. The renewable and/or cogeneration energy which is being considered as a part of distribution loss during wheeling through the distribution network of any licensee at injection end or drawal end of open access or as intervening network and for which in the wheeling agreement of open access such loss is accounted in kind or price then such amount of energy against distribution loss shall also be considered while calculating the RPO of the distribution licensee. The transmission loss for transmission of renewable and/ or cogeneration energy through the asset of transmission licensee(s) in West Bengal will also be accounted for RPO of the licensee under whose area and through whose network the energy is drawn by the user of such energy.

3.6.2. Thus, it is pertinent to note that the WBERC has permitted to consider the Open access consumption, distribution loss & transmission loss to be accounted for fulfillment of RPO target of Distribution Licensee.

3.6.3. In view of the above, the Hon'ble Commission is hereby requested to consider these provisions and provide similar dispensation to State utilities like MSEDCL for meeting the RPO target in view of shortage of RE in the State. This will also help the common consumers of MSEDCL wherein they may not have to pay higher tariff for electricity.



- 3.7. Promotion of RECs at common consumers Cost
- 3.7.1. The Electricity Act' 2003 mandates promotion of Renewable Energy and has cast the responsibility of the same on State Governments & SERCs. From time to time, Government of Maharashtra has encouraged the development of RE Sources by formulating various policies in line with the Central Government Policies since 1996. These Policies were successfully implemented in the State and has achieved significant progress in the Development of RE Sources. These policies used to be considered as Win-Win policies for Investor, Licensee and Consumers.
- 3.7.2. As a result of various encouraging steps to promote RE Generation in the State, the Installed Capacity of wind has reached to more than 4443 MW in the year 2014-15 starting from 32 MW in 1999. The total RE installed capacity of the state has reached to 6743 MW. Thus, the Petitioner has proactively participated in the development process by providing necessary infrastructure and guarantee of purchase.
- 3.7.3. The obligated entities including the Petitioner are required to meet their RPO Targets by way of own generation or procurement of power for RE Developers or purchase from other Licensee or by way of purchase of RE Certificate (REC) or by combination of these options. The purchase of REC is therefore considered towards compliance of RPO Target. The RECs are however required to be purchased by a Distribution Licensee on sound economic principles. It is to be further noted that in view of the plea of the Petitioner to relax the RPO on factors beyond the control of the Petitioner, availability or otherwise of REC is not a relevant factor. RECs in the strict sense are not an alternative to RE Sources. Non procurement of REC may not be treated as a pre-condition for exercise of power to relax the RPO Targets. The power to relax the RPO Targets is an exercise of a Regulatory Power. It needs to be pointed out that inadequate capacity addition in the State for whatsoever reasons can be a germane factor for exercise of such relaxation.
- 3.7.4. Therefore the Petitioner most humbly submits that Hon'ble Commission may not insist on the procurement of RECs to meet the RPO shortfall and burden the common consumers of the Petitioner. This is particularly so as the RPO targets are required to be reviewed realistically and scientifically, which is approved by the Hon'ble APTEL in its Order dated 14th November 2013 in Appeal No.265 of 2012.



3.8. RPO Fulfilment of State Utilities & RE Shortage FY 2014-15:

Sr. No.	Utility	GEC MUs	Non Solar RPO Target MUs	Actual RE Procured MUs	Shortfall MUs
1	MSEDCL	114678	9347	8701	647
2	TPC	6215	528	268	260
3	R-Infra	8844	750	205	545
4	BEST	4919	418	242	176
	Total State	134656	11043	9416	1628

3.8.1. Thus, it is observed that for meeting the MERC specified 8.5% Non solar RPO target of State as whole, there is a total shortfall of 1628 MUs of RE. (M/s. TPC, R-Infra & BEST have met the shortfall in RPO by purchasing RECs). Therefore, it is imperative that the RPO target as specified by the Hon'ble Commission is quite higher as compared to the actual RE capacity addition that could take place in the state.

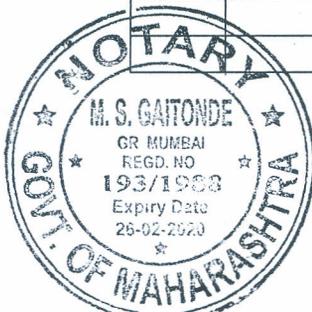
3.8.2. It further submitted that, the compliance by the other obligated entities such as CPPs/Open Access consumers is not taken into consideration here which may further increase the shortfall.

3.8.3. In view of the above, it is very much necessary now to ascertain the actual RE potential in the State and the actual number of RE generators who are ready to exercise the option of Sale to utility (MSEDCL, TPC, BEST, R-Infra).

3.8.4. Accordingly, the RPO target needs to be reviewed and if there is no RE available for purchase by Discom, then the shortfall in meeting the RPO targets needs to be waived.

3.9. RPO Targets of other States

Sr. No.	STATE	RE Type	RE Target For FY 2014-15	GEC	Target in MUs
1	Maharashtra	Non- Solar	8.50%	134656	11446
		Solar	0.50%		673
		Total	9.00%		12119
2	Andhra Pradesh	Non- Solar	4.75%	90000	4275
		Solar	0.25%		225
		Total	5.00%		4500
3	Gujarat	Non- Solar	6.75%	92700	6257
		Solar	1.25%		1159
		Total	8.00%		7416
4	Karnataka	Non- Solar	7.00%	54000	3780
		Solar	0.25%		135
		Total	7.25%		3915



5	Madhya Pradesh	Non- Solar	6.00%	56000	3360
		Solar	1.00%		560
		Total	7.00%		3920
6	Rajasthan	Non- Solar	7.50%	60500	4537
		Solar	1.50%		908
		Total	9.00%		5445
7	Tamil Nadu	Non- Solar	9.00%	85000	7650
		Solar	2.00%		1700
		Total	11.00%		9350

3.9.1. It is respectfully submitted that the RPO targets specified by this Hon'ble commission for Maharashtra are one of the highest of the country.

3.9.2. Tamil Nadu which is the RE rich state of the country with highest RE installed capacity has the highest RPO target. But the GEC of Tamil Nadu is nearly 65 % of that of Maharashtra. Hence effective RE in MU's term is less than that of Maharashtra rather less than that of the Petitioner. The other States having Gross Energy Consumption near to Maharashtra State e.g. Andhra Pradesh, Gujarat are having lower RPO target.

3.9.3. Thus, it is observed that Maharashtra in general and the Petitioner in particular has been given the Renewable Purchase Obligation which is the highest in the country in terms of MU's to be procured.

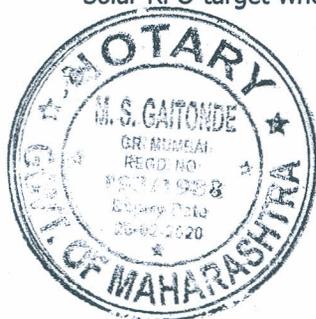
3.10. RE Installed Capacity (MW) of Other States

Sr. No.	State	Wind	Solar	Total
1	Maharashtra	4400	320	4720
2	Gujarat	3581	920	4501
3	Karnataka	2549	90	2639
4	Rajasthan	3053	850	3903
5	Tamil Nadu	7394	110	7504

3.10.1. Thus it is observed that Tamil Nadu state having highest installed capacity (7504 MW) and highest RPO target (11.00%) has to procure 9350 MUs of RE (Non-Solar 7650 + Solar 1700) in total.

3.10.2. Though the financial impact is not directly relevant, the indirect burden on the common consumers is submitted by comparing the RPO targets of Tamil Nadu and Maharashtra.

3.10.3. CUF of wind power projects is around 30% and wind tariff is around Rs. 3.50 p.u. Thus Tamil Nadu will have to expend Rs. 2677 Crs. for fulfillment of Non-Solar RPO target whereas Maharashtra requires procuring 11446 Non-Solar MU's



at rate Rs. 5.70 p.u. (wind Tariff). Thus Maharashtra will have to expend minimum Rs. 6524 Crs. for fulfillment of Non-Solar RPO target.

3.10.4. Thus, it can be seen that Maharashtra in general and MSEDCL in particular is facing a major financial hardship for meeting the RPO targets specified by this Hon'ble Commission. This has resulted into the passing on the cost of RE power on the common consumers of MSEDCL by way of higher tariffs.

3.10.5. No other State in India in terms of units required to procure more RE and spend more in terms of rupees for such procurement. Maharashtra has to spend approximately 2.5 times as compared to Tamil Nadu in order to fulfillment of Non Solar RPO Target.

3.10.6. The Petitioner has in fact procured 8701 MUs (more than Tamil Nadu which is RE rich State) in FY 2014-15 to meet RPO target (less than Tamil Nadu) and has spent Rs. 4,800 Crs. (much more than Tamil Nadu) and is still at shortfall.

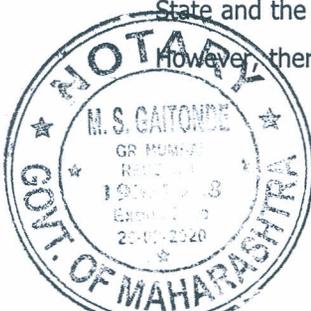
3.10.7. It is submitted that the Petitioner is spending much more money than any other State (not only Tamil Nadu) for procurement of RE for meeting RPO target specified by MERC. This has also affected the tariffs of common consumers of MSEDCL. The Petitioner craves leave of the Hon'ble commission to take note of these ground realities.

3.11. Fixation of RPO Target vis-a-vis GEC

3.11.1. It is respectfully submitted that this Hon'ble Commission has specified RPO targets to be met by obligated entities as a percentage of with the Gross Energy Consumption (GEC) of the obligated entity. The GEC is dependent upon the load growth of the state and is continuously on rise. Accordingly, the requirement of RE for meeting the RPO increases automatically. The growth in GEC is completely independent subject and it cannot be co-related with status of RE generation in the state. The potential of capacity addition, expected capacity addition and actual capacity addition are crucial factors for prescribing of RPO Targets.

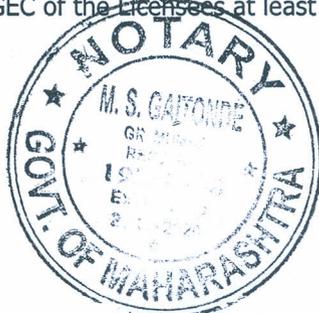
3.11.2. It is submitted further that the generation of Renewable Energy in the state depends upon the New RE Project Capacity Addition in the State which further determines the quantum of RE available for sale to obligated entities.

3.11.3. Therefore, the RPO targets may be linked to the RE capacity addition in the State and the quantum of actual RE available for purchase for obligated entities. However there seems no direct relation between RPO targets specified and the



actual RE capacity addition. It is also submitted that RE generators are unable to generate energy at the stipulated CUF and generally there is a short supply than expected may be due to natural or other various reasons. Such short supply is also beyond the control of the generator and the purchaser licensee also.

- 3.11.4. It is submitted that the State governments declare RE policies and fix up ambitious RE capacity addition targets to attract investment in RE sector and also offer promotional benefits / incentives.
- 3.11.5. It is observed that most of the investment in RE is coming from private sector depending upon the investor friendly policies of the state. However, there is no estimate or certainty as to how much capacity addition will take place in a particular financial year.
- 3.11.6. It is submitted further that there is limited investment from the State or Central Government in RE sector. Further, beyond a point government cannot compel private investors to invest and develop a RE project for meeting RPO of obligated entities. The investment decision is sole prerogative of the private entity / project holder. This capacity addition is beyond the control of the Petitioner.
- 3.11.7. In view of the above, there is every possibility that there will not be adequate capacity addition as expected in the policy for whatever reasons beyond the reasonable control of the State governments or the obligated entities.
- 3.11.8. In such circumstances, there will not be sufficient RE available for purchase for fulfillment of RPO targets of all obligated entities. Eventually, the obligated entity will fail to comply with the stipulated RPO targets and will be subjected to heavy penalties as per the regulatory provisions. The same will further deteriorate the already depleted financial health of the Discoms.
- 3.11.9. Thus, the obligated entities will have to face penal actions for the reasons beyond their control and without any willful default of theirs. In this regard, it is humbly submitted that the SERCs have a mandate to promote Renewable Energy and punishing Distribution Licensees / obligated entities would neither serve this very purpose nor such punishment will bring new RE capacity addition or investment in RE sector.
- 3.11.10. In view of the above, the Hon'ble Commission may review the RPO targets and link the same with actual RE capacity addition taking place in the State rather than linking it with the GEC of the Licensees at least till the RE shortage situation prevails in the State.



3.11.11. It is further submitted that the Hon'ble Commission has sufficient powers to amend / revise the RPO targets considering the ground realities and relax and waive any of the provisions of the RPO Regulations.

3.12. Impact on Power Purchase Cost

3.12.1. As submitted earlier, the Petitioner has been proactively promoting NCE in the State by providing necessary infrastructure and guaranteed purchase at preferential tariff. However, MSEDCL submits that now the time has come to revisit promotion of such unreliable power at the cost of the interest of Utility and common consumers of the State. The Petitioner submits that efficient use of available potential need to promote and not the inefficiency. MSEDCL most respectfully submits that providing highest tariff to lowest efficiency leads to protection of some vested interests (Zone wise Wind tariffs).

3.12.2. The Petitioner humbly submits that due to high cost, the basket power purchase cost of MSEDCL has been increasing considerably. Due to such costly power purchase, the average power purchase cost of MSEDCL increases and the common consumers of the State are being burdened by paying high tariffs of NCE.

3.12.3. The Petitioner further submits that in its MYT Order dated 26th June 2015, Hon'ble Commission has approved following power purchase.

Particulars	Quantum (MUs)	Cost (Rs. Crs)	Rate (Rs. Unit)
Total Approved Power Purchase	111609	41,249	3.70
Renewable Energy	11,218	6,520	5.81
Power Purchase excluding Renewable Energy	100,391	34,729	3.46
Impact due to Renewable Energy			0.24

3.12.4. Thus, the RE power procurement is adding burden of around 25 paise per unit on the common consumers of MSEDCL.

3.12.5. The Petitioner most humbly submits that affordability versus Promotion need to be relooked at considering the efficiency and diligent use of available technology. The Petitioner respectfully submits that the time has come to revisit promotion at the cost of the interest of Utility and common consumers of the State.

3.13. Competitive Bidding for Renewable Energy

3.13.1. The Petitioner most respectfully submits that in the past MSEDCL requested the Hon'ble Commission to allow to procure wind power in FY 2013-14 by



undertaking competitive bidding in a transparent manner in public interest and subsequently enter into the Long Term Energy Purchase Agreements with the successful bidders and further permit to take into account such purchase of renewable energy in MSEDCL RPO Target by granting suitable relaxation in Regulation No. 7.2 of the MERC (Renewable Purchase Obligation, Its Compliance and Implementation of REC Framework) Regulations, 2010 (hereinafter MERC RPO Regulations, 2010). The Petitioner had filed a petition before the Hon'ble Commission for determination of tariff by bidding process for procurement of wind energy for FY 2013-14 within Maharashtra (Case No. 65 of 2013 and MA 13 of 2013).

3.13.2. The Petitioner in the said Petition has also highlighted a number of issues pertaining to affordability of electricity for the consumers of MSEDCL, impact of purchase of renewable energy on power purchase cost of MSEDCL, problems in scheduling, banking and contract demand reduction due to infirm nature of wind energy, impact of subsidies and incentives not reflecting in the wind tariff, high capital cost and high O&M cost, etc.

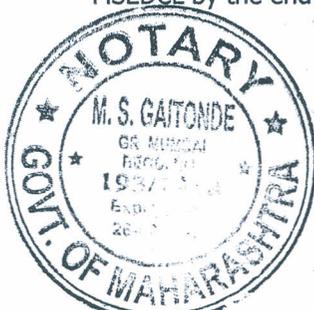
3.13.3. However, Hon'ble Commission opined that the subject of competitive procurement of renewable power is a matter deserving greater scrutiny and referred to the constituted committee as per the daily Order in the present case issued by the Commission, dated 1 October, 2013. However, the said committee report did not come and the matter was kept pending. This would have reduced the burden on the common consumers of the MSEDCL and would have got much needed relief in their electricity tariff.

3.13.4. The Petitioner submits that introduction of competitive bidding may have offered advantages such as transparency, market price discovery and possibility of price reduction leading to uptake of higher renewable energy capacity, large scale orders under competitive bidding leading to lower transaction and specific costs per mega watt, and increased competition in the vertically integrated renewable energy sector.

3.13.5. In the era when solar tariff was as high as Rs. 13 to 15 per unit, Competitive bid mechanism has been very successful in reducing the cost of solar power generation. In less than 2 years time frame, cost of solar power generation has reduces by 40%-50% along with significant increase in installed capacity.



- 3.14. MERC order dated 04.08.15 in Case No. 190 of 2014
- 3.14.1. Hon'ble Commission conducted suo-motu proceedings for verification of compliance of RPO targets by the Petitioner for FY 2013-14 and undertake consequent actions if required in accordance with the Regulations. (Case No. 190 of 2014).
- 3.14.2. Vide its Order dated 4th August 2015; Hon'ble Commission concluded the proceedings of Case No. 190 of 2014. In the said Order dated 4th August 2015, Hon'ble Commission inter-alia ruled that the expenditure on purchase of RECs and/or actual power procurement from the Fund shall not be passed through to consumers to the extent of the shortfall not met by MSEDCL by the end of FY 2015-16.
- 3.14.3. The Petitioner most humbly submits that the said Order issued by Hon'ble Commission on 4th August 2015 has some inherent issues and will be difficult to implement. Due to lack of sufficient RE Capacity addition, the Petitioner may not be able to fulfill the RPO targets by FY 2015-16. Therefore, The Petitioner hereby approaches the Hon'ble Commission for removal of difficulties in giving effect to the provisions of RPO Regulations and the rulings of Hon'ble Commission in its Order dated 4th August 2015 in Case No. 190 of 2014 and also to relax the stipulations of RPO as contained in the Regulations in light of the decision of the Hon'ble APTEL.
- 3.14.4. In view of the above submissions, the Petitioner most humbly prays the Hon'ble Commission to review the ruling in Order dated 4th August 2015 in Case No. 190 of 2014 to the extent of disallowance of expenditure on purchase of RECs and/or actual power procurement to the extent of the shortfall not met by the Petitioner by the end of FY 2015-16. The Petitioner also requests the Hon'ble Commission to carry forward the shortfall not met by MSEDCL by the end of FY 2015-16 to the next Review Period.
- 3.14.5. The Petitioner also prays before the Hon'ble Commission to consider the ground realities and historical capacity addition in Mini/Micro Hydro Sector and cancel the separate categorization of Mini/Micro Hydro RPO target.
- 3.14.6. The Petitioner further prays before the Hon'ble Commission may not to insist on the procurement of RECs for the next 2-3 years within which the Petitioner will be able to fully meet the shortfall and carry forward the shortfall not met by MSEDCL by the end of FY 2015-16 to the next Review Period.



4. Relevant Judgments:

A) Judgment of APTEL, New Delhi dated 14th November 2013 (Appeal No.265 of 2012) in the matter of M/s BEST wherein it was ruled that the Commission ought to have ascertained the availability of power from such sources at the approved rate. The relevant extract is reproduced below:

"...The State Commission first fixed the Renewable Purchase Obligations without ascertaining as to whether power from Renewable Sources is available or not. Para 6.4 (1) of the Tariff Policy requires the State Commission to ascertain that the power from Renewable Energy Sources is available in the region before fixing the Renewable Purchase Obligations. Accordingly, the Commission ought to have ascertained the availability of power from such sources at the approved rate. Only, then, it should have directed the licensees that it would approve the power purchases cost from Renewable Energy sources at rate to be approved by the Commission in future. This was not done by the State Commission in the present case. The approach adopted by the State Commission was incorrect..."

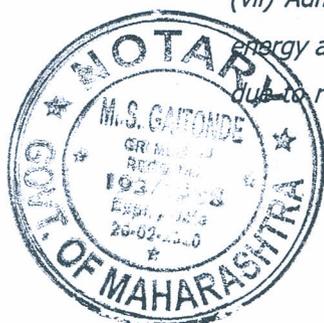
B) APTEL order in Appeal No. 258 of 2013 & Appeal No. 21 of 2014 & IA-28 of 2014 order dated 16.04.15

"..... iv) The State Commission can revise the RPO before or during a year or after passing of year under Regulation 4.2 of RE Regulation 2010 as explained under paragraphs 47 to 51 above. If the distribution licensee has not made efforts to procure requisite renewable energy to fulfill the RPO and also has not procured REC, the State Commission should not revise RPO under Regulation 4.2. However, while revising the RPO targets, the State commission has to ensure that such revision should not defeat the object of the Electricity Act and the Regulations.

(v) If the RPO targets are revised under Regulation 4.2 due to inadequate capacity addition in a resource rich State, such reduction has to be uniform for all the entities.

(vi) Under 5th proviso to Regulation 9, if the Commission is convinced that the obligated entity has faced genuine difficulty in meeting the RPO due to non-availability of power from renewable sources or the REC, it may allow carry forward the compliance requirement to the next year. However, before exercising power under Regulation 9, the State Commission has to satisfy itself that there was difficulty in meeting the RPO from purchase of REC. Therefore, non-availability of REC is a pre-condition for carry forward under Regulation 9.

(vii) Admittedly there was substantial reduction in capacity addition of wind energy and other sources of renewable energy in the State during FY 2012-13 due to reasons beyond the control of the distribution licensee. Under such a



condition the State Commission can reduce RPO targets for the wind energy and other energy. However, such reduction due to capacity constraints has to be uniform for all the obligated entities in the State....."

C) APTEL Order in IA No.187 of 2015 in Appeal No. 258 of 2013 & Appeal No. 21 of 2014 Dated: 14th May, 2015

We feel that in the present case where we have described various conditions under which the Commission may revise RPOs targets, it is necessary for us to give the clarification regarding implementation of the judgment without any way changing the findings in the judgment. We, therefore, clarify that in case the State Commission decides to revise targets due to inadequate capacity addition in the State the same may be done keeping in view overall availability of renewable energy resources in the State and other relevant factors and after hearing all concerned and not merely on the basis of actual RPO achievement by the various entities.

Therefore, it is submitted that this Hon'ble Commission has wide powers to review and revise the RPO targets and also to carry forward the shortfall in meeting RPO targets to next review period.

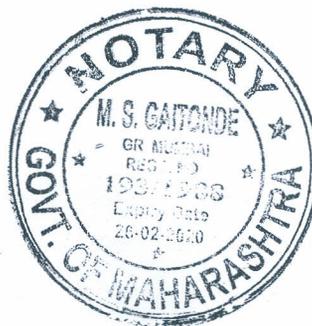
5. Regulatory Provisions

5.1. The Regulation 18 of the Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of REC Framework) Regulations, 2010 empowers Hon'ble Commission to relax or waive any of the provisions of the Regulations. The relevant Regulation is reproduced below:

18 Power to Relax

18.1 The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax or may waive any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

5.2. The Regulation 20 of the Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of REC Framework) Regulations, 2010 empowers Hon'ble Commission to remove difficulties in giving effect to the provisions of the Regulations. The relevant Regulation is reproduced below:



20 Power to remove difficulties:

20.1 If any difficulty arises in giving effect to the provisions of these Regulations the State Commission may, by general or specific Order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

5.3. Therefore, the Petitioner most respectfully submits that the Hon'ble Commission has powers to deal and issue Orders in the above said matter.

6. Prayers to the Hon'ble Commission

6.1. Considering the submission made by the Petitioner, the Commission is most earnestly requested to grant the reliefs as under.

- a) To admit the Petition as per the provisions of the Regulation 18 and 20 of the MERC (Renewable Purchase Obligation, its Compliance and Implementation of REC Framework) Regulations, 2010
- b) To relax the specified RPO Targets as prescribed after undertaking the exercise of ascertaining and confirming whether the fixation of the RPO targets is in accordance with the Regulation 6.4.1 of the erstwhile National Tariff Policy (as applicable) including various factors like RE potential of the State, expected capacity addition, actual capacity addition, contracted capacity addition, actual availability, price of REC, the element of realistic approach to evolving RPO Targets, RE wheeled through Open Access, the National scenario and or other relevant factors.
- c) To review the ruling in Order dated 4th August 2015 in Case No. 190 of 2014 to the extent of disallowance of expenditure on purchase of RECs and/or actual power procurement to the extent of the shortfall not met by MSEDCL by the end of FY 2015-16.
- d) To consider the ground realities and historical capacity addition in Mini/Micro Hydro Sector in the State and revised / cancel the separate categorization of Mini/Micro Hydro RPO target.
- e) To allow MSEDCL to carry forward the shortfall not met by MSEDCL by the end of FY 2015-16 to the next Review Period.
- f) To allow MSEDCL a period of three (3) years to meet its cumulative shortfall in RPO
- g) To grant any other relief as the Hon'ble Commission may deem fit;



- h) To pass such further and other orders, as the Hon'ble Commission may deem fit and proper keeping in view the facts and circumstances of the case.
- i) To condone any error/omission and to give opportunity to rectify the same;
- j) To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time.

(Signature)
Chief Engineer (Commercial)
MSEDCL (Petitioner)

Date:

Place: Mumbai

