

Y/02/16/722

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052

Dated: 02.11.2020

Present:

Shri Shambhu Dayal Meena	..	Chairman
Shri H.M. Manjunatha	..	Member
Shri M.D. Ravi	..	Member

ORDER

Preamble:

1. The Commission, based on the information furnished by the State Load Dispatch Center, had noted that Praxair India Private Limited, (hereinafter referred to as the 'Company'), an obligated entity, had not complied with the Solar and Non-solar RPO for FY18 as mandated in the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, to an extent of 1044.63 MWh Solar RPO. Thus, as per the Regulations, the Company had to comply with deficit Solar RPO to an extent of 1149.09 MWh (110% of shortfall). Hence, the Commission had issued notice on 16.08.2019 to show cause, as to why action under Section 142 of the Electricity Act, 2003, should not be initiated against the Company for failure to comply with the aforesaid Regulations.
2. Whereas, the Company furnished its reply on 29.08.2019. The Commission after examining the reply, noted that the Company had purchased 1150 Solar RECs certificate on 25.07.2018 against solar RPO target of 1149.09 MWh, after the time specified in the KERC Regulations and had not furnished valid reasons for the same.
3. Whereas, the Commission issued further notices on 20.11.2019 and 31.01.2020, seeking explanation for not complying with the solar RPO for FY18 within the time stipulated.
4. Whereas, the Company submitted its reply on 27.02.2020 stating that, the shortfall of 1149.09 solar RECs which was 110% of the requirement could not be

complied with, as the Hon'ble Supreme Court of India had stayed the trading of Renewable Energy Certificates in the market and that the trading of RECs (the Solar RECs) opened in July 2018. As such the Company purchased solar RECs in July, 2018.

5. Whereas, the Commission notes that the Hon'ble Supreme Court, vide its order dated 08.05.2017 in Civil Appeal No. 6334/2017, had stayed trading of Solar RECs. Subsequently, the Hon'ble Supreme Court, vide its order dated 14.05.2018, clarified that the interim order dated 08.05.2017 and 14.07.2017 will not apply to RECs issued on or after 01.04.2017. Consequent to the above order, the CERC, vide letter dated 28.05.2018, directed the power exchange to trade solar and Non-solar RECs with certain conditions. In view of the above, the Company has purchased the solar RECs (110% of requirement) in the month of July 2018 to comply with solar RPO, instead of purchasing them in the month June, 2018, as per the Regulations. Therefore, the Commission hereby decides to condone the delay of one month, in complying with the Solar RPO.
6. In view of the above, the Company has complied with Solar RPO for FY18.
7. Hence, the following orders: -

ORDER

8. The Commission notes that, as per the written submission made on 27.02.2020, the Praxair India Private Limited, has met the solar RPO for FY18 by purchasing 1150 Solar RECs on 25.07.2018 against solar RPO target of 1149.09 MWh, after the time specified in the KERC Regulations. For the reasons stated supra, the Commission has condoned the delay of one month in procuring the RECs. Hence, the Company has complied with solar RPO for FY18. Therefore, in view of the Company having fully met the Solar RPO for FY18, the Commission hereby treats the proceedings initiated against the Company, is dropped.


(SHAMBHU DAYAL MEENA)
CHAIRMAN
21/11/2020


(H.M. MANJUNATHA)
MEMBER
21/11/2020.


21/11/2020
(M.D. RAVI)
MEMBER