

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 55 of 2021

Case for Verification of compliance of Renewable Purchase Obligation targets by Mindspace
Business Parks Pvt. Ltd. for FY 2018-19 and FY 2019-20

Coram

Sanjay Kumar, Chairperson
I.M. Bohari, Member
Mukesh Khullar, Member

Parties

1. Mindspace Business Parks Pvt. Ltd. (MBPPL)
2. Maharashtra Energy Development Agency (MEDA)
3. Maharashtra State Load Despatch Centre (MSLDC)

Appearance For

- | | |
|----------|-------------------------|
| 1. MBPPL | : Shri. Nitin Chunarkar |
| 2. MEDA | : Shri. Manoj Pise |
| 3. MSLDC | : Smt. Juelee M. Wagh |

ORDER

Date: 7 September, 2021

1. The MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016 ('RPO-REC Regulations 2016') specify the Renewable Purchase Obligation (RPO) targets for Obligated Entities, including MBPPL as Deemed Distribution Licensee, for FY 2018-19 and FY 2019-20. The RPO targets specified in Regulation 7.1 are as below:

Year	Quantum of purchase (in %) from Renewable Energy sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
	(a)	(b)	(c)
2016-17	1.00%	10.00%	11.00%
2017-18	2.00%	10.50%	12.50%
2018-19	2.75%	11.00%	13.75%
2019-20	3.50%	11.50%	15.00%

Provided that each Distribution Licensee shall meet 0.2% per year of its Non-solar (other RE) RPO target percentage for the period from FY 2016-17 to FY 2019-20 by way of purchase from Mini Hydro or Micro Hydro Power Projects;

2. Regulation 12 of the RPO-REC Regulations, 2016 empowers the Commission to deal with shortfalls in compliance of RPO targets by Obligated Entities as follows:

“12. RPO Regulatory Charges

12.1 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 in respect of Solar and Non-Solar RPO:

Provided that RPO Regulatory Charges shall be equivalent to the highest applicable preferential tariff during the year for Solar or Non-Solar RE generating sources, as the case may be, or any other rate as may be stipulated by the State Commission:

Provided further that the fund so created shall be utilised, as may be directed by the State Commission.”

3. Through its Order dated 1 July 2010 in Case No. 21 of 2010, the Commission designated MEDA, Pune as the State Agency to undertake the functions envisaged under the Regulations.
4. As per Regulation 10.4 of the RPO-REC Regulations 2016, a Distribution Licensee is required to submit, at the end of each financial year, a detailed statement of energy procured from Renewable Energy (**RE**) sources, certified by its auditors.
5. Vide its Order dated 2 April 2019 in Case No. 41 of 2019 regarding compliance of RPO targets by MBPPL for FY 2017-18, the Commission had stated as follows:
 - a. MBPPL has fallen short of its stand-alone Solar RPO target by 1.59 MU in FY 2017-18 and has a cumulative shortfall of 1.57 MU till FY 2017-18.
 - b. MBPPL has fulfilled its stand-alone non-Solar RPO target with a surplus of 1.30 MU in FY 2017-18, and has a cumulative shortfall of 0.393 MU till FY 2017-18.
 - c. MBPPL has fulfilled its stand-alone Mini-Micro RPO target in FY 2017-18 and has a cumulative shortfall of 0.03 MU till FY 2017-18.
 - d. The Commission allowed MBPPL to fulfill its cumulative shortfall in RPO by March 2019.
6. In accordance with Regulation 9.5, MEDA, vide its letter dated 30 January 2020 and 30 December 2020, submitted the RPO settlement data for FY 2018-19 and FY 2019-20 in respect of MBPPL which is summarized below:

RPO settlement data for MBPPL as furnished by MEDA				
Item	FY 2018-19		FY 2019-20	
	%	MUs	%	MUs
Gross Energy consumption(GEC)	100%	84.14	100%	83.680
Solar RPO				
Target	2.75%	2.314	3.50%	2.929
Achievement	4.86%	4.092	3.54%	2.963
Shortfall /(Surplus)	-2.11%	-1.78	-0.04%	-0.03
Non-Solar RPO				
Target	11.00%	9.26	11.50%	9.62
Achievement	11.47%	9.65	11.64%	9.74
Shortfall /(Surplus)	-0.47%	-0.39	-0.14%	-0.12
Mini-Micro RPO(Within Non-Solar)				
Target	0.20%	0.02	0.20%	0.02
Achievement	0.00%	0.00	0.00%	0.00
Shortfall /(Surplus)	0.20%	0.02	0.20%	0.02
Total RE to be procured as per the Target				
	13.75%	11.57	15.00%	12.55
Total Actual RE Procured				
	16.33%	13.74	15.18%	12.70
Total Shortfall/(Surplus)				
	-2.58%	-2.17	-0.18%	-0.15

7. According to MEDA, the RPO status of MBPPL for FY 2018-19 and 2019-20 is as below:
- In Solar RPO, for FY 2018-19 and FY 2019-20; MBPPL has a surplus of 1.78 MU and 0.03 MU, respectively
 - In Non-Solar RPO, for FY 2018-19 and FY 2019-20; MBPPL has a surplus of 0.39 MU and 0.12 MU, respectively.
 - In Mini/Micro Hydro RPO (within Non-Solar RPO), for FY 2018-19 and FY 2019-20; MBPPL has a shortfall of 0.02 MU and 0.02 MU, respectively.
8. The Commission asked MBPPL to submit its response to the data furnished by MEDA. Further, the Commission sought replies from MBPPL on the following points:
- Reconciliation statement along with rationale with regards to GEC data reported by MEDA and audited data of MBPPL.
 - Status of Solar, Non-Solar RPO compliance including Mini/Micro Hydro RPO compliance, as per the directives given in earlier Orders of the Commission along with detailed statement for project wise energy procurement in MU from all Solar & Non-Solar generating projects including Mini/Micro Hydro projects and project wise contracted Solar and Non-Solar power capacity in MW during FY 2015-16 to FY 2019- 20.
 - Detailed list of action and efforts undertaken by it prior to and during FY 2018-19 and FY 2019-20 to ensure compliance of RPO targets in respect of Solar RPO, Non-Solar RPO and Mini/Micro Hydro RPO.

d. Details of long term RE procurement plan (in MUs and corresponding MW) for meeting the future RPO targets.

9. In its response dated 18 May 2021, MBPPL stated as follows:

A. Reconciliation statement along with rationale with regards to GEC data reported by MEDA and audited data of MBPPL.

9.1. MBPPL has submitted the data along with its response which is in line with the data submitted by MEDA and no discrepancies have been observed.

YEARWISE SUMMARY - MBPPL											
FY	%	2015-16	%	2016-17	%	2017-18	%	2018-19	%	2019-20	Cumulative Shortfall / (Surplus)
GEC in MUs		81.81		86.2		89.92		84.143		83.683	
Solar	0.50%	0.409	1.00%	0.862	2.00%	1.798	2.75%	2.314	3.50%	2.929	8.312
REC	0.49%	0.403	0.79%	0.682	0.23%	0.208	4.86%	4.092	3.54%	2.963	8.348
Shortfall/(Surplus) - SL		0.006		0.180		1.590		(1.778)		(0.034)	(0.036)
Non-Solar	8.50%	6.954	10.00%	8.620	10.50%	9.442	11.00%	9.256	11.50%	9.624	43.895
REC	8.37%	6.845	8.15%	7.023	11.96%	10.751	11.47%	9.648	11.63%	9.736	44.003
Shortfall/(Surplus) - NSL		0.109		1.597		(1.309)		(0.392)		(0.112)	(0.108)

B. Status of Solar, Non-Solar RPO compliance including Mini/Micro Hydro RPO compliance, as per the directives given in earlier Orders of the Commission along with detailed statement for project wise energy procurement in MUs from all Solar & Non-Solar generating projects including Mini/Micro Hydro projects and project wise contracted Solar and Non-Solar power capacity in MW during FY 2015-16 to FY 2019-20.

9.2. The specified RPO targets by the Commission for the FY 2018-19 and FY 2019-20 have been met by MBPPL. The marginal shortfall for the FY 2015-16, FY 2016-17 and FY 2017-18 has also been fulfilled by MBPPL. This leads to the cumulative surplus renewable purchase by MBPPL against the target set by the Commission.

C. Detailed list of action and efforts undertaken by it prior to and during FY 2018-19 and FY 2019-20 to ensure compliance of RPO targets in respect of Solar RPO, Non-Solar RPO and Mini/Micro Hydro RPO.

9.3. RPO targets set out by the Commission in FY 2018-19 and FY 2019-20 have been met from procurement of Non-Solar and Solar RECs from exchange platforms. Since the Non-Solar targets were met from procurement of RECs, MBPPL is not in a position to further bifurcate the same for Mini/Micro Hydro compliance.

D. MBPPL should submit the details for long term RE procurement plan (in MUs and corresponding MW) for meeting the future RPO targets.

- 9.4. The Commission in its Order dated 30 March 2020 in Case No. 328 of 2019 has allowed MBPPL to fulfil its renewable purchase obligations till end of FY 2021-22 through procurement of RECs. However, MBPPL is in process to issue a tender inviting bid from Non-Solar generators for procurement of actual green power.
- 9.5. Due to widespread global pandemic since March 2020, it has witnessed steep fall in its electricity demand vis-à-vis sales projections. This has severely hampered the revenues of the distribution licensee. MBPPL would like to initiate the green energy procurement with gradual year on year increase and thereby balancing its overall cost of power purchase. As approved by the Commission in its Order dated 23 January 2021 in Case No. 231 of 2020, MBPPL along with other two distribution licensees of K. Raheja Corp shall initiate the process to request proposals from generators through competitive bidding process. Details are as mentioned below:

Period	Type	Quantum (MW)	Quantum (MU)
01.10.2021 – 30.09.2025	Non-Solar	3.5	4.55

- 9.6. Apart from the base quantum which shall be available from the above- mentioned contract, MBPPL has been procuring power through Green Term Ahead Market (G-TAM) market segment and other products if introduced in future on exchanges or any other platform which is transparent, neutral and offer competitive pricing.
- 9.7. Further, MBPPL is assessing the requirement of its consumers to meet the requirement specific to green power and is committed to meet the RPO target and consumer demand for green energy.

Regulatory Process

10. Through a Public Notice dated 16 June 2021 published in the Loksatta and Maharashtra Times (Marathi) and Times of India and Indian Express (English) daily newspapers, the Commission invited suggestions and objections considering the submissions of MEDA and MBPPL. The Commission also impleaded MEDA and MSLDC as Parties. An online Public e-Hearing was held on 13 July 2021.
11. The summary of RPO compliance of MBPPL for FY 2018-19 & FY 2019-20, based on details provided by MEDA and MBPPL, is at Annexure-1 of this Order. The list of persons who gave their comments in writing or made oral submissions during the Public Hearing is at Annexure-2 (A). The list of persons present at the Public Hearing is at Annexure-2(B). (These lists include persons/organizations concerned with the RPO compliance verification hearings held on the same day in respect of the other Distribution Licensees also.)
12. At the Public e-Hearing, MBPPL reiterated the points regarding its compliance of RPO targets made in its written submissions.

Suggestions/Objections received

13. Shri Kiran Chudhari vide email dated 30 June 2021 shared paper cuttings and objected levying of Green Tariff for supply of green energy by Distribution Licensee.

Commission's Analysis and Ruling

14. The Commission notes that the MBPPL by its submission dated 18 May 2021 has confirmed that there is no discrepancy with the data submitted by MEDA for FY 2018-19 and FY 2019-20. The status of achievement of RPO targets by MBPPL, as determined by the Commission considering the details provided by MEDA, MSLDC and MBPPL, is as shown in table below:

RPO settlement data for MBPPL (Approved)						
Item	Cumulative RPO (Surplus)/ Short fall till end of FY 2017-18	FY 2018-19		FY 2019-20		Cumulative RPO (Surplus)/ Short fall till end of FY 2019-20
		MUs	%	MU	%	
Gross Energy consumption		100%	84.14	100%	83.680	
Solar RPO						
Target	3.07	2.75%	2.31	3.50%	2.93	8.31
Achievement	1.50	4.86%	4.09	3.54%	2.96	8.55
Shortfall /(Surplus)	1.57	-2.11%	-1.78	-0.04%	-0.03	-0.24
Non-Solar RPO						
Target	25.01	11.00%	9.26	11.50%	9.62	43.89
Achievement	24.62	11.47%	9.65	11.64%	9.74	44.01
Shortfall /(Surplus)	0.39	-0.47%	-0.39	-0.14%	-0.12	-0.12
Mini-Micro RPO(Within Non-Solar)						
Target	0.05	0.20%	0.02	0.20%	0.02	0.09
Achievement	0.02	0.00%	0.00	0.00%	0.00	0.02
Shortfall /(Surplus)	0.03	0.20%	0.02	0.20%	0.02	0.07

'-' or () indicates surplus

15. The Commission notes that MBPPL has:
- Fulfilled its standalone Solar RPO targets for FY 2018-19 and FY 2019-20 and has surplus standalone Solar RPO by 1.78 MU and 0.03 MU for FY 2018-19 and FY 2019-20, respectively. Further, MBPPL has cumulative surplus of 0.024 MU at the end of FY 2019-20.
 - Fulfilled its standalone Non-solar RPO targets for FY 2018-19 and FY 2019-20 and has surplus standalone Non-solar RPO by 0.39 MU and 0.12 MU for FY 2018-19 and 2019-20, respectively. Further, MBPPL has cumulative surplus of 0.12 MU at the end of FY 2019-20.
 - Shortfall in standalone Mini/Micro Hydro RPO targets (within Non-Solar RPO) by 0.02 MU for both FY 2018-19 and FY 2019- 20. Further, MBPPL has a cumulative shortfall of 0.07 MU at the end of FY 2019-20.
16. MBPPL in its submission has indicated that it has not bifurcated Mini-Micro Hydro RPO compliance separately but has fulfilled its total Non-solar RPO targets by purchasing of non-

Solar RECs. The Commission notes that in its previous Orders it has allowed MBPPL to meet its Mini/Micro Hydro RPO obligations from purchase of non-Solar RECs, Therefore, the Commission deems it appropriate to consider the non-Solar RECs purchased by MBPPL in FY 2018-19 and FY 2019-20 for fulfilling its standalone Mini-Micro RPO Targets for respective years. Accordingly, cumulative surplus of non-Solar RPO stands revised to 0.05MU [Surplus of non-solar (0.12) – shortfall in Mini/Micro Hydro (0.07)].

17. Further, the Commission notes that the MoP by its Order dated 29 January 2021 has notified the RPO trajectory for the Hydro Energy Sources i.e. the Hydro Power Obligation (HPO). As per the Order, the large hydro power projects (above 25 MW) which have come into commercial operation after 8 March 2019 shall be the eligible sources for HPO:

“4. On 8th March 2019, the Government had issued an order detailing various policy measures to promote hydropower sector in India inter-alia declaring large hydropower projects including pumped storage projects having capacity of more than 25 MW (LHPs) which come into commercial operation after 8.3.2019 as renewable energy source and to specify Hydropower Purchase Obligation (HPO) within Non-Solar Renewable Purchase Obligation (RPO).

5 In compliance of the above decision and with the objective to add 30,000 MW of hydropower capacity by the year 2029-2030, Ministry of Power has prepared a revised trajectory of RPO including long term trajectory for HPO considering the LHPs commissioned after 8th March 2019.

6 In super-session of orders dated 22nd July 2016 and 14th June 2018, Ministry of Power hereby specifies the following RPO Trajectory-

Year	Solar RPO	Non-Solar RPO			Total RPO
		HPO	Other Non-Solar RPO	Total Non-Solar RPO	
2019-20	7.25%	-	10.25%	10.25%	17.50%
2020-21	8.75%	-	10.25%	10.25%	19%
2021-22	10.50%	0.18%	10.50%	10.68%	21.18%
2022-23	To be specified later	0.35%	To be specified later	To be specified later	To be specified later
2023-24		0.66%			
2024-25		1.08%			
2025-26		1.48%			
2026-27		1.80%			
2027-28		2.15%			
2028-29		2.51%			
2029-30		2.82%			

.....”

The Commission has not yet amended its RPO Regulations 2019 to include HPO. However, the Commission notes that its RPO Regulations 2019 is based on broad principle of specifying achievable RPO targets as mandatory target and target set by the Central Government as overall target. Non achievement of mandatory target is liable for penalty, whereas obligated entities are incentivized (Rs. 0.25/kWh) for achieving overall target set by the Central Government. Relevant part of MERC RPO Regulations 2019 is reproduced below:

“12.2 Distribution Licensee shall endeavor to achieve total RPO target notified by the Central Government and for doing so it will get incentive of Rs. 0.25 per kWh for RE procured above the minimum percentage specified in Regulation 7 upto the percentage notified by the Central Government as under or as may be notified from time to time:

.....”

In view of above, HPO specified by the Ministry of Power vide order dated 29 January 2021 forms integral part of above provision of RPO Regulations 2019. Hence, Distribution Licensee would be eligible for above incentive of Rs. 0.25/kWh for meeting HPO targets specified by the Central Government. Accordingly, MBPPL shall endeavor to achieve RPO and HPO targets specified by the Central Government.

18. The Commission notes that only objection received during the public process is from Shri. Kiran Chudhari which was related to Green Tariff option approved by the Commission for consumer who voluntarily wish to procure only green energy from Distribution Licensee. Shri. Chudhari has objected to levying extra charge for such supply of Green Energy. However, this issue is not part of the present proceeding beside the fact that it is just an enabling provision, the Commission is not addressing the same in this proceeding.
19. Next RPO verification process under RPO Regulations 2019 will be conducted for FY 2020-21 and FY 2021-22 as part of Mid Term Review process under MYT Regulations 2019.
20. Hence, the Following Order:

ORDER


1) The Case No. 55 of 2021 stands concluded with the following ruling:


- a. **Mindspace Business Parks Pvt. Ltd. has fulfilled its standalone Solar RPO targets for FY 2018-19 and FY 2019-20 and has surplus standalone Solar RPO by 1.78 MU and 0.03 MU for FY 2018-19 and FY 2019-20, respectively. Further, it has cumulative surplus of 0.024 MU at the end of FY 2019-20.**
- b. **Mindspace Business Parks Pvt. Ltd. has fulfilled its standalone Non-solar RPO targets for FY 2018-19 and FY 2019-20 and has surplus standalone Non-solar RPO by 0.39 MU and 0.12 MU for FY 2018-19 and 2019-20, respectively. Further, it has cumulative surplus of 0.05 MU at the end of FY 2019-20.**
- c. **Mindspace Business Parks Pvt. Ltd. has fulfill its standalone Mini/ Micro Hydro RPO targets (within Non-Solar RPO) for both FY 2018-19 and FY 2019- 20. Further, there is no cumulative shortfall/ surplus in respect of Mini/Micro Hydro RPO at the end of FY 2019-20.**

Sd/-
(Mukesh Khullar)
Member

Sd/-
(I.M. Bohari)
Member

Sd/-
(Sanjay Kumar)
Chairperson


(Abhijit Deshpande)
Secretary



Summary of RPO compliance by MBPPL for FY 2018-19 and FY 2019-20, as submitted by MEDA and MBPPL (in MU)

Discom- RPO targets compliance for FY 2018-19	GEC(Gross Energy Consumption) (Transmission Loss adjusted) (MU's)	Solar RPO			Non-Solar RPO*			Mini/Micro Hydro		
		Target (2.75%)	Met	Shortfall (+ve) / Surplus (-ve)	Target (11.00%)	Met	Shortfall (+ve) / Surplus (-ve)	Target (0.2%) within Non-Solar RPO	Met	Shortfall (+ve) / Surplus (-ve)
As per MEDA	84.14	2.314	4.092	-1.78	9.26	9.65	-0.39	0.02	0	0.02
As per MBPPL	84.14	2.314	4.092	-1.78	9.26	9.65	-0.39	*	*	*

Discom- RPO targets compliance for FY 2019-20	GEC(Gross Energy Consumption) (Transmission Loss adjusted) (MU's)	Solar RPO			Non-Solar RPO*			Mini/Micro Hydro		
		Target (3.5%)	Met	Shortfall (+ve) / Surplus (-ve)	Target (11.50%)	Met	Shortfall (+ve) / Surplus (-ve)	Target (0.2%) within Non-Solar RPO	Met	Shortfall (+ve) / Surplus (-ve)
As per MEDA	83.68	2.93	2.96	-0.03	9.62	9.74	-0.11	0.02	0	0.02
As per MBPPL	83.68	2.93	2.96	-0.03	9.62	9.74	-0.11	*	*	*

*MBPPL has submitted that it has not bifurcated the Mini/Micro Hydro RPO Targets within Non-Solar category

Annexure -2

A] List of those who submitted written comments/suggestions or made oral submissions at the Online Public e-Hearing

1. Shri Kiran Chudhari

B] List of persons at the Online Public e-Hearing:

1. Shri. Nitin Chunarkar, GEPL, MBPPL & KRCIPPL
2. Shri. Nikhil Chauganekar, GEPL, MBPPL & KRCIPPL
3. Shri. Ajit Pujari, GEPL, MBPPL & KRCIPPL
4. Smt. Juelee M. Wagh, MSLDC
5. Shri. Manoj Pise, MEDA