

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

IA No. 18 of 2021
In Petition No. 33 of 2019

Date of Hearing: 17.11.2021
Date of Order: 22.11.2021

Application under Regulation 64, 69, 73 under Chapter XII of the PSERC (Conduct of Business) Regulations, 2005 and other applicable Regulations issued by the Commission and provisions of the Electricity Act, 2003 seeking extension in time for compliance of the Judgment/Order dated 17.03.2020 and consequential order dated 23.10.2020, whereby the petitioner was directed to comply the shortfall in its RPO by extended period up till 30.09.2021 by purchasing RECs.

And

In the matter of: Punjab Alkalies & Chemicals Limited (PACL), S.C.O 125-127, Sector-17 B, Chandigarh.

.....Applicant/Petitioner

Present: Mr. Viswajeet Khanna, Chairperson
Mr. Paramjeet Singh, Member

PACL: Ms. Meenakshi Gupta, Advocate

ORDER:

1. Punjab Alkalies & Chemicals Limited (PACL) has filed the present IA seeking modification of the Judgment/Order dated 17.03.2020 and consequential order dated 23.10.2020 passed in IA No. 06 of 2020 in Petition No. 33 of 2019 and grant extension in time to the petitioner for compliance of the Judgment/Order dated 17.03.2020 by fulfilling the RPO

shortfall by purchasing RECs for a period of 09 months beyond the trading session of RECs resumes.

2. It has been pleaded that, inability of PACL to comply with the Commission's Order is unintentional, as it could not purchase the requisite RECs because of the continuance of the stay order on REC trading by Hon'ble APTEL. The Commission is empowered to review/modify its Orders in view of the genuine difficulties faced by any obligated entity. Accordingly it is prayed to:

“Modify the Judgment/Order dated 17.03.2020 & consequential Order dated 23.10.2020 passed in IA 06 of 2020 in petition 33 of 2019 and grant extension in time to the petitioner for compliance of Order dated 17.03.2020 by fulfilling the RPO shortfall by purchasing RECs for a period of 9 months beyond the trading session of RECs resumes.”

3. In the hearing held on 29.09.2021, the Commission observed that PACL should ensure compliance by buying sufficient Green Power to meet its RPO commitment being a power intensive consumer. In response thereof, PACL vide its reply dated 01.11.2021 submitted that, Chloro-Alkali Industry is a Power-Intensive industry wherein the power cost of the petitioner constitutes about 60% of its total production cost. And, the cost of Green-Power from the open market (Market Clearing Price of Power Exchange plus applicable open access charges etc) being substantially higher than the expected cost of the RECs, the purchase of Green-Power in place of RECs is not commercially viable in the prevalent circumstances. Also, for availing open access, advance approval of short term open access from SLDC, consent of DISCOM, Metering System etc.will require

at least 2-3 months and if CTs are to be installed, then minimum 6 months shall be required.

In the hearing held on 17.11.2021 also, the Ld Counsel for PACL reiterated that it is not commercially viable for PACL to go for Green-power in the prevailing circumstances.

4. The Commission has examined the submissions made by the applicant and is of the view that the reason mentioned by PACL for its inability to comply with the Commission's Order would apply to all similarly placed units also and hence the argument of the rates being high and unviable is not reasonable. It is the statutory obligation of the petitioner to fulfil its RPO compliance. However, the Commission also notes that Hon'ble APTEL vide its recent judgment has set-aside the CERC Order revising the floor & forbearance price of RECs and the trading of RECs is expected to be resumed soon.

In view of the above, the Commission decides to allow PACL to comply with the Commission's Order dated 17.03.2020 read with Order dated 23.10.2020 to fulfil its RPO Shortfall by procuring the requisite RECs at the earliest opportunity but not later than 31.03.2022.

The IA No. 18 of 2021 is disposed of accordingly.

Sd/-

(Paramjeet Singh)
Member

Sd/-

(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 22.11.2021