

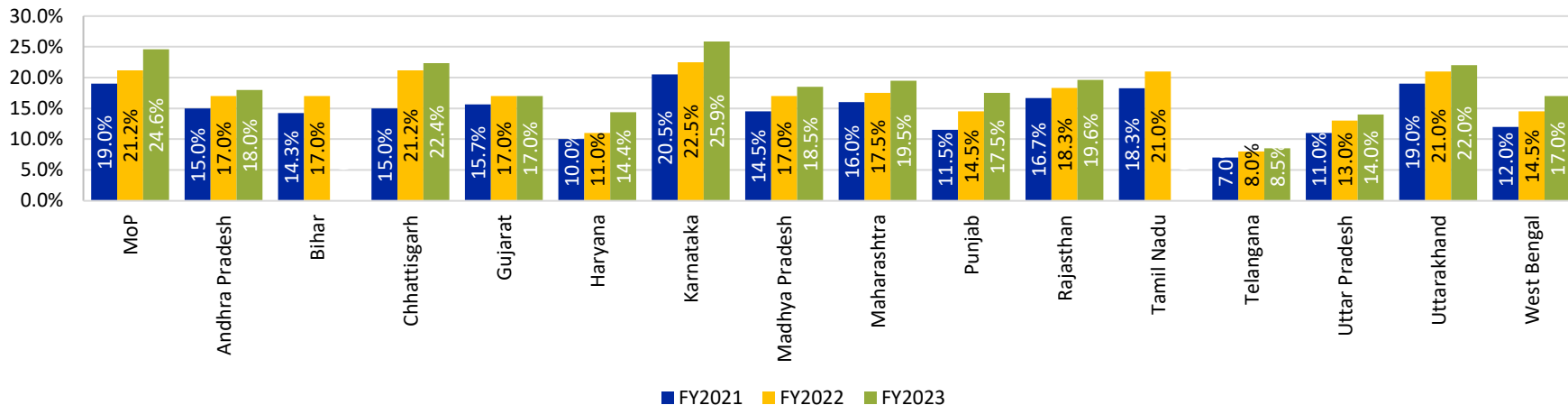


RPO Trajectory & Compliance

RPO norms inconsistent across states and against the target suggested by MoP; compliance remains less than 70% at all-India level so far

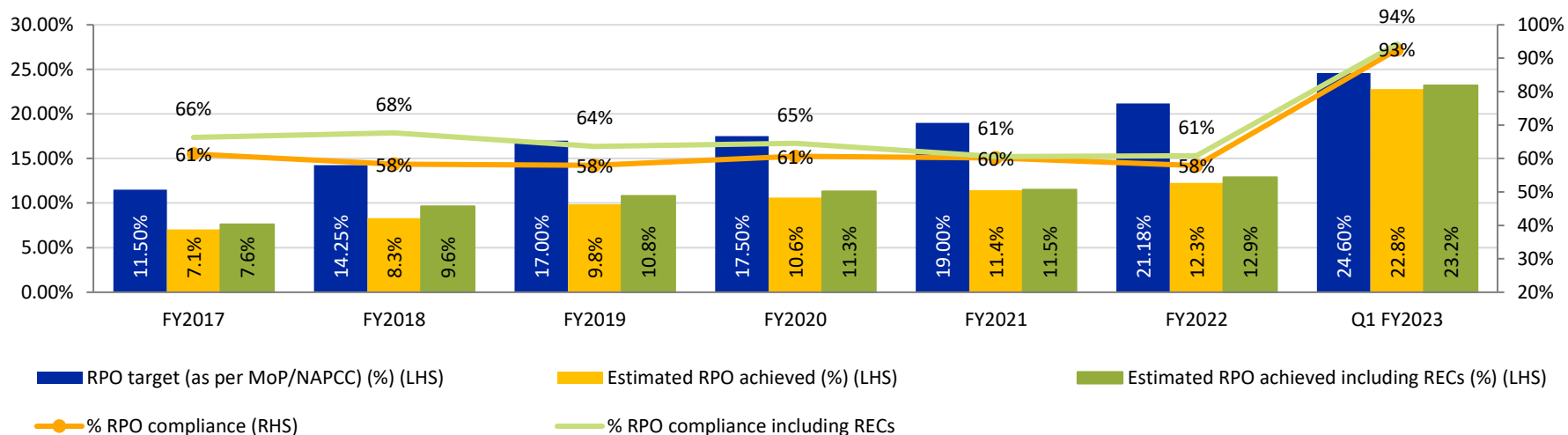
RPO trajectory remains inconsistent across states

Exhibit 6: RPO recommended by MoP and RPO approved by SERCs in key states



- The RPO norms vary across the states in terms of both the quantum of the RPO and the period of the RPO trajectory approved by the SERCs. Moreover, the RPO levels for most of the states continue to be lower than the RPO trajectory recommended by the Ministry of Power. The SERCs in only two states have stipulated the RPO norms equal to or higher than the target of 21.18% for FY2022.
- In this context, the timely implementation of the RPO trajectory notified by the MoP by the respective State Electricity Regulatory Commissions (SERCs) along with the adoption of ESO trajectory remains important to achieve the capacity targets. Moreover, it remains important for the SERCs to monitor and ensure compliance to the RPO & ESO norms by the obligation entities, given the moderate compliance level in the past.

Exhibit 7: Estimated RPO compliance at all-India level



- The mix of RE power in the overall electricity generation improved over the past few years with the significant addition of solar power capacity. However, the extent of compliance to RPO targets remained below 70% till FY2022. Further, the compliance level varies across states, with the states having high wind and solar generation potential reporting higher compliance.
- With the inclusion of large hydro power for compliance to RPO norms under the latest notification by the MoP, the level of compliance to RPO norms is expected to improve sharply in the near term, as seen in Q1 FY2023. Nonetheless, with the increase in the RPO targets over the next decade, a scale up in RE capacity remains important to achieve the prescribed targets. It is important for the SERCs to enforce the compliance to RPO norms by the obligated entities.



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