

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL

Subject: - Notice under section 142 of the Electricity Act 2003 for non-compliance of RPO Obligation as per provisions of MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 (Revision-I) as amended and directions of the Commission from time to time during the period 10.11.2010 to 31.03.2024.

ORDER

(Date of Order: 21.10.2024)

M/s Trimula Industries Ltd.

- Respondent

Shri Prabhakar Singh appeared on behalf of the Respondent.

The subject Suo-moto petition was registered by this Commission in the matter of non-compliance of renewable power purchase obligations by the obligated entities other than licensees as specified by the Commission under MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 (Revision-I) as amended and revised from time to time and directions issued thereunder during the period from 19.11.2010 to 31.03.2024.

2. A notice under section 142 of the Electricity Act 2003 was issued to the Respondent among other obligated entities to show cause for non-compliance of aforesaid Regulations/directives of the Commission as to why not penal action under the Section 142 of the Electricity Act 2003 be taken against him. The Commission in the same notice also directed to submit information regarding RPO Compliance for the period 19.11.2010 to 31.03.2024 latest by 03.09.2024 in the prescribed format attached with the notice.

3. Respondent submitted a reply (not on affidavit) on notice vide his affidavit dated 3rd Sep 2024. Hearing of the petition was held from 4th Sep to 6th Sep 24. The Respondent was present during the hearing held on 4th September 2024 wherein they reiterated the submission made by them through affidavit dated 3rd September 2024. The Respondent has submitted that they have commissioned CPP/ WHRS of 12 MW Co-gen CPP on 01.11.2013 and CPP/ WHRS of 26.50 on 14.05.2016 but not submitted the status regarding RPO compliance of Co-gen Captive Power Plant believing that there is no RPO on use of power

from such WHRS/ CPP. Respondent further submitted that they did not purchase power from open access.

4. The regulatory framework laid down by the Commission in this matter is as follows:
- i. Commission had notified the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 on 19.11.2010. This regulation along with its amendments was applicable till 11.11.2021. The Commission had specified Renewable Purchase Obligation for all the obligated entities during the period from 19.11.2010 to 11.11.2021 under the aforesaid regulations.
 - ii. Commission subsequently notified the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2021 on 12.11.2021. This regulation along with its amendments is the current regulation. The Commission has specified revised Renewable Purchase Obligation for all the obligated entities during the period from 12.11.2021 onwards up to FY 29-30 under the aforesaid regulations.
 - iii. The Open Access consumers / conventional fuel based CPPs/ WHR Power Stations are obligated entities within the meaning of MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 and 2021 as amended from time to time and have been required to comply with the Renewable Purchase Obligation to the extent specified in aforesaid regulations.
 - iv. Procurement of electricity from Co-generation Power Plants from Renewable Sources of electricity only was considered eligible to meet RPO compliance under the provisions of MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010. As per these provisions, other co-generation plants including waste heat recovery plants were not eligible to fulfil RPO compliance of obligated entities. Later, the Commission vide 2nd amendment in MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 effective from 20.04.2012 specified that all co-generation plants (including WHRS power plants) shall be

eligible for fulfilling RPO compliance. Looking to the provisions of clause 6.4(1) of Tariff Policy 2016, the Commission through 6th amendment in MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 effective from 01.09.2017 again specified that Co-generation Power Plants from Renewable Sources of electricity only will be considered eligible for RPO compliance. As a result of this amendment, co-generation (including co-generation from WHRS power plants) from sources other than renewable sources was again excluded from eligibility to fulfil RPO compliance.

- v. Commission through MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2021 has specified that for Captive Users procuring power from Captive Generating Plants commissioned prior to 01.04.2016, RPO shall be at the level as specified by the Commission for FY 2015-16. For Captive Users procuring power from Captive Generating Plants commissioned from 01.04.2016 onwards, the RPO level as specified by the Commission for the relevant year or as specified by the Ministry of Power for the relevant year, whichever is higher, for the year of commissioning of the Captive Generating Plants, shall be applicable.
- vi. Commission through 1st amendment in MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2021 effective from 20.01.2023 specified uniform RPO in respect of all the categories of obligated entities such as distribution licensees, captive power plants and open access consumers.
- vii. The Commission vide order dated 21st Dec 2021 has designated Madhya Pradesh Urja Vikas Nigam (MPUVNL) as Designated Authority to discharge functions in accordance with Regulation 14 of Co-gen Regulations. The designated agency failed to submit complete information regarding RPO Compliance for the period from 2020-21 to 2023-24 in respect of open access consumer (other than RE based) and Captive Power plants and Waste Heat Recovery Power Plants (other than RE based) despite various reminders and meetings with them.

Commission's findings and conclusions

5. The Commission has noted that the Respondent has been operating WHR based Captive Power Plants of aggregate capacity 38.5 MW (12 MW from 01.11.2013 and additional 26.50 MW from 14.05.2016) and consuming power from it. However, the Respondent has not provided any data on the power consumption from the Co-gen Captive Power Plant with the self-assumption that there is no RPO on such use of power from CPP. As discussed in Paragraph 4, WHRS power plants were eligible to fulfil non solar RPO for the period from 20.04.2012 to 31.08.2017 only. While admitting having WHRS power plant of 38.5 MW and not submitting any data on consumption thereof establishes that the Respondent has nothing to state in his defence. There is a clear case of non-compliance of the RPO obligation against the respondent.

6. In view of non-compliance of RPO obligation and not providing the data on RPO as required under the notice, the Commission hereby imposes a penalty of Rs. 1,00,000 (Rupees One Lakh only) on the Respondent which is to be paid within a period of 15 days of the order to the Commission. Commission also directs MD, MP Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur and Chief Engineer (E/S) and Chief Electrical Inspector, Government of Madhya Pradesh to furnish year wise data on consumption made by the Respondent from his WHRS power plant from FY 2010-11 to 2023-24 within a period of 15 days to the Commission and on receipt of information, Commission will initiate further necessary action in the matter.

(Prashant Chaturvedi)

Member

(Gopal Srivastava)

Member(Law)

(S.P.S. Parihar)

Chairman