

**Sub: In the matter of petition under Section 86(1)(e) and 86(1)(b) of the Electricity Act, 2003 seeking directions for procurement of renewable energy from the renewable based co-generation projects in the State of Madhya Pradesh**

**ORDER**

**(Date of hearing: 22<sup>nd</sup> August,2017)**

**(Date of order: 26<sup>th</sup> August,2017)**

Sugar Mills Association Madhya Pradesh, - Petitioner  
Flamingo-44, Aakriti Eco City,  
E-8 Extension, Bhopal

M.P. Power Management Co. Ltd., - Respondent  
Shakti Bhawan, Rampur, Jabalpur

Shri Anand K. Ganesan, Advocate appeared on behalf of the petitioner.  
Shri Manoj Dubey, Advisor (Law) appeared on behalf of the respondent.

2. The petitioner, Sugar Mills Association Madhya Pradesh has filed this petition under Section 86(1)(e) and 86(1)(b) of the Electricity Act, 2003 seeking specific direction of the Commission for execution of the Power Purchase Agreement by the respondent in pursuance to the order dated 29.05.2017 passed by the Hon'ble Appellate Tribunal For Electricity (APTEL) in Appeal No. 144 of 2017.

3. The case was listed for motion hearing on 25.07.2017. During the motion hearing, the petitioner restated the contents of the petition. After hearing the petitioner, the Commission has directed to issue notice for hearing to the respondent and the next date of hearing was fixed for 22.08.2017. The respondent has filed the response on 21.08.2017.

4. During the hearing on 22.08.2017, the Counsel for the petitioner restated the contents of the petition. He has further stated that the Power Purchase Agreement (PPA) has not been executed by the respondent since 2015. The projects are ready for commissioning. The respondent has not fulfilled the Renewable Purchase Obligations

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(RPO) till April, 2017. During the hearing, the respondent stated that the petition is not maintainable as the Sugar Mills Association Madhya Pradesh is not recognized by the respondent and the petitioner has not disclosed the names and consents of the members of the Association. The respondent cannot be compelled to necessarily execute the Power Purchase Agreement with the petitioner. It is the respondent who shall take the decision whether PPA could be executed or not since the mandatory Renewable Purchase Obligations have already been fulfilled. The respondent shall likely to fulfill the RPO for the FY 2017-18 also. The achievement till 31<sup>st</sup> March, 2018 is to be reviewed by the Commission in April, 2017 and necessary directions may be issued accordingly. The Sections 86(1)(e) and 61(h) of the Electricity Act, 2003 are applicable at the time of determination of tariff. Also, as per Section 86(1)(e) of the Electricity Act, 2003 the generation of electricity from renewable sources of energy and cogeneration are to be promoted for sale of electricity to any person. Therefore, the petitioner may go for third party sale/ captive use etc.

5. During the hearing, the petitioner also responded on the aforesaid issues and stated that the Hon'ble APTEL has already recognized the Sugar Mills Association Madhya Pradesh as the Appellant in Appeal No. 144 of 2017. The Section 86(1)(e) of the Electricity Act, 2003 has nothing to do with the tariff. During the hearing, the petitioner has also filed the list of members with a copy to the respondent. However, the Commission feels that this issue cannot be raised at this stage since the petition has already been entertained by the Hon'ble APTEL and remanded to the Commission for consideration on other issues.

6. Having heard the petitioner and the respondent and on considering the their written submissions, the Commission has noted that the respondent has already fulfilled the Renewable Purchase Obligations for the target fixed for the FY 2016-17

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in respect of Solar and Non-Solar ( which comprises of wind, small hydro, biomass, biogas, Municipal solid waste and Bagasse based co-generation etc.) categories. Also, the progress achieved during the first quarter of the FY 2017-18 is satisfactory. Hence, it is not mandatory on the part of the respondent to purchase power from the Co-generation plants only and the respondent can purchase power from other non-solar renewable sources as per their requirement from time to time till the RPO is met.

7. Under the aforesaid circumstances, the Commission is of the view that it would not be appropriate for the Commission to compel the respondent to enter into long term PPA with the specific power project developers when the respondent has already fulfilled the RPO for the FY 2016-17 and agreed to fulfill the RPO for the FY 2017-18 as fixed by the Commission. However, the Commission shall monitor the progress from time to time and take suitable action against the respondent in case of laxity in fulfillment of the RPO till 31.03.2018.

8. In view of the above, the petition no. 29 of 2017 stands disposed of.  
Ordered accordingly.

**(Alok Gupta)**  
Member

**(A.B.Bajpai)**  
Member

**(Dr. Dev Raj Birdi)**  
Chairman

