

**MADHYA PRADESH ELECTRICITY REGULATORY
COMMISSION
BHOPAL**

Sub: Notice under section 142 of the Electricity Act 2003 read with the provisions of regulation 15 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations 2010 & 2021 for failure to comply with the RPO targets during the period FY 2021-11 to 2021-22

ORDER

(Hearing through video conferencing)
(Date of Order: 29.04.2024)

Managing Director,
MP Industrial Development Corporation,
1st Floor, Atulya IT Park,
Near Crystal IT Park,
Khandwa Road, Indore, 452007(MP)

}

- **Respondent**

Shri Ashish Bernard, Advocate appeared on behalf of the Respondent.

MPERC passed an order dated 07.02.2024 in petition no. 46 of 2023 filed by MP Industrial Development Corporation Indore Under Section 86 (1) (e) of Electricity Act 2003 read with regulations 15.4 and 18 of MPERC (Cogeneration and Generation of Electricity from Renewable Source of Energy), (Revision-II) Regulations, 2021.

2. Under point no. 10 of this order dated 07.02.2024, Commission directed the Secretary of the Commission to initiate proceedings against the Petitioner under Section 142 of the Act read with the Provisions of Regulation 15 of the MPERC (Cogeneration and Generation of Electricity from Renewable Source of Energy), (Revision-II) Regulations, 2010 & 2021.
3. Accordingly, Suo Moto Petition no. 12 of 2024 was registered against MPIDC Indore and a show cause notice was served on 26.02.2024. Brief contents of the notice are as under:
 - i. Regulations framed by the Commission under section 181 of the Electricity Act, 2003 and various directions given by the Commission under those regulations are subordinate legislation under the Act. Non-compliance of these regulations and directions issued by the Commission is liable for punishment under section 142 of the Electricity Act, 2003.
 - ii. As per Regulation 4.1 of MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010, Commission had provided the RPO trajectory from the period 2010-11 to 2014-15 to be complied with by all the obligated entities. Thereafter, the Commission notified the 5th Amendment to the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 wherein, the Commission provided the RPO trajectory for the period 2015-16 to 2018-19. Further, the Commission notified the 6th Amendment to the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy)

(Revision-I) Regulations, 2010 wherein, the Commission provided the RPO trajectory for the period 2019-20 to 2021-22.

- iii. MP Industrial Development Corporation (MPIDC) being a distribution licensee is an obligated entity within the meaning of MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 and therefore required to comply with the RPO obligation from time to time.
 - iv. Commission observed that the MPIDC has repeatedly not complied with the provisions of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 made under Electricity Act, 2003 and has also not complied with Commission's directions given through various retail supply tariff orders and orders passed in truing up petitions. Repeated non-compliance by Distribution Licensee is a matter of serious concern. The Commission is of the view that Licensee needs to improve their operational efficiency by adhering to the provisions of the regulations notified by the Commission as well as by following directions of the Commission in letter and spirit.
 - v. Commission observed in order dated 07.02.2024 passed in Petition No. 46 of 2023 of MP Industrial Development Corporation (MPIDC), that the Corporation has not complied with RPO targets from 2010-11 itself till 2021-22. Commission also observed in aforesaid order that MPIDC is liable for action under section 142 of the Electricity Act, 2003 for non-compliance of directions by the Commission on account of defaults in compliance of RPO obligations under the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations, 2010 & 2021 as amended from time to time.
4. Respondent, MPIDC by affidavit dated 05.04.2024 submitted the following in its preliminary reply to the notice dated 26.02.2024:
- i. *That, the respondent-MPIDC is in receipt of suo-motu notice from the Hon'ble Commission under Section 142 of the Electricity Act, 2003 read with provisions of Regulations 15 of the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), 2010 & 2021 for failure to comply with the RPO targets during the period FY 2010-11 to 2021-2023.*
 - ii. *That, the respondent-MPIDC is a deemed licensee and supplies power to the occupants of the SEZ. For this purpose, the MPIDC had procured power from MPPMCL through short-term contracts between FY 2010-11 till 31.05.2015. Thereafter, under the directives issued by the Government of Madhya Pradesh, the petitioner entered into Bulk Supply Agreement on 29.03.2016 with MPPMCL for long term supply of electricity to SEZ of MPIDC on pro rata-basis with effect from 01.04.2015. Under Section 86(1)(e) of the Electricity Act, 2003 and the National Tariff Policy 2006, Renewable Purchase Obligation (RPO) mechanism is mandated on the Obligated Entities which are required to purchase certain percentage of electricity from renewable energy sources, as a percentage of the total consumption of electricity. Being a deemed licensee as stated above, the petitioner was also under the obligation to meet its statutory RPO obligation.*

- iii. *That, the respondent-MP IDC vide its letter dated 14.06.2023 had also requested the Hon'ble Commission for approval to purchase Renewable Energy Certificates for compliance of RPO prior to FY 2022-23. The petitioner addressed the issue regarding fulfillment of RPO target in the following parts:*
- *Part 1 - Fulfillment of RPO Compliance for the period FY 2010-11 to FY 2015-16.*
 - *Part 2 - Fulfillment of RPO Compliance target from FY 2022-23.*
 - *Part 3 - Fulfillment of RPO Compliance for the period FY 2016-17 to FY 2021-22.*
- iv. *That, it was stated therein that regarding fulfillment of RPO compliance for the period FY 2010-11 to FY 2015-16, the petitioner had procured power from MPPMCL through short term contracts till 28.03.2016 and within the said contract the obligation towards RPO compliance was also undertaken by MPPMCL as mentioned in their letter dated 24.06.2014. It was also apprised to the Hon'ble Commission that MP IDC has successfully fulfilled/ complied the RPO for FY 2022-23 by way of procurement of RECs. With respect to fulfillment of RPO compliance for the period FY 2016-17 to FY 2021-22, the respondent- MP IDC stated that it is procuring thermal power from MPPMCL under long-term agreement since 29.03.2016 and the MP IDC is liable to procure renewable power separately to fulfill its RPO obligation. Since MPPMCL is fulfilling MP IDC's entire demand and as per directive no. (viii) of the order dated 30.03.2016 of Government of Madhya Pradesh, the MP IDC requested MPPMCL to quote for renewable power (Solar and Non-Solar) through its letters dated 09.02.2018 and 22.07.2022 however, the MP IDC has not received any quotations or reply from MPPMCL so far. The respondent-MP IDC in the aforesaid letter calculated that 2,92,559 nos. of REC which it was working out to comply with the backlog of the RPO from FY 2016-17 to FY 2021-22.*
- v. *That, in pursuance of the same, the respondent-MP IDC preferred Petition No.46/2023 before the Hon'ble Commission seeking reliefs to carry forward the backlogs/ carry forward RPO obligation of MP IDC for FY 2016-17 to FY 2021-22 in next financial year and to approve the purchase of RECs and procurement of backlogs/ carry forward RPO from open market for FY 2016-17 to FY 2021-22.*
- vi. *That, the Hon'ble Commission vide its order dated 07.02.2024 decided the petition filed by respondent-MP IDC and observed that MP IDC is not entitled and allowed to carry forward the RPO compliance requirement for the period from 2010-11 to 12.11.2021 under the provisions of MPERC regulations. However, the Hon'ble Commission allowed the respondent-MP IDC to purchase required RECs (for the period from 2010-11 to 2021-22) from the market as per the provisions of applicable regulations and prevailing directions of the Central Electricity Regulatory Commission relating to procurement of RECs within next 6 months and submit the RECs so procured to Nodal Agency and Commission within 15 days of such procurement as per the provisions of Regulation 13.3 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy, Regulations, 2021).*
- vii. *That, the Hon'ble Commission vide its aforesaid order also observed that since the respondent-MP IDC has failed to comply with the RPO targets during the period FY 2010-11 to 2021-22, hence, proceedings against the MP IDC under Section 142 of the Act read with the provisions of regulation 15 of the MPERC (Cogeneration*

and Generation of Electricity from Renewable Sources of Energy), Regulations 2010 & 2021 be initiated.

viii. *That, in furtherance of the aforesaid directives, the respondent-MPIDC received the instant suo-motu notice from the Hon'ble Commission for non-compliance of the RPO targets during the period FY 2010-11 to 2021-22. It is submitted that the Hon'ble Commission gave specific reference to Para 9 of the order dated 07.02.2024 passed in Petition No. 46/2023 wherein it was observed that:*

“viii. Commission noted that the petitioner did not comply with the RPO targets in the past years on his own accord but approached this Commission for fulfillment of backlog of RPO compliance for the period from 2015-16 to 2021-22 only after passing of directions by Commission to comply with the RPO targets in retail supply tariff order dated 02.05.2022 for FY 2022-23 in Petition no. 03/2022. Petitioner claimed that for the period from 2010-11 to 2014-15, MPPMCL was meeting their RPO obligation as per letter dated 24.06.2014, however, MPPMCL in its reply has denied the claim made in this regard by petitioner and submitted that LOI was issued on 28.06.14 to petitioner in which there was no mention of supply of RE power. This specific issue was enquired by the Commission during the hearing held on 16.01.2024. In response thereof, counsel for petitioner informed that the petitioner is willing to fulfill past renewable purchase obligations and it has approached the Commission for the same. As such, it was not inclined to get into litigation with respondent MPPMCL on this issue. The Commission is therefore of the view that the petitioner has not complied with RPO targets from 2010-11 itself till 2021-22.”

ix. *That, the respondent vide its Petition No.46/2023 had submitted and duly apprised the Hon'ble Commission of genuine difficulty and peculiar situation laced by MPIDC in fulfilling the RPO obligations and had requested a one-time opportunity to comply with the backlog RPO by purchase of RECs. The reasons and difficulties which were faced by MPIDC are being re-iterated below:*

- a. *As per Government of Madhya Pradesh order dated 30.03.2016 directive no. (vii) MPIDC has signed Long-Term Bulk Power Supply Agreement with MPPMCL for 40 MW on 29.03.2016 for 25 years to meet its total power requirement from MPPMCL. As per directive no. (viii) MPIDC had requested MPPMCL to supply green power to fulfill its RPO obligation, however, response, from MPPMCL is still awaited.*
- b. *Due to non-acceptance of Petition of MPIDC (till FY 2016-17) by the Hon'ble Commission, MPIDC was suffering huge loss of Rs.25 crores per year. However, after complying all the directives of the Hon'ble Commission, MPIDC filed True-Up Petition for FY 2010-11 to FY 2015-16 on 20.01.2018 for a revenue gap of Rs.85.93 crores and the Hon'ble Commission passed its order on 13.01.2020 with Net Revenue Gap of Rs. 21.72 Crore.*
- c. *Trading of REC was kept on hold by Hon'ble APTEL till the final outcome of Appeal No. 113/117/118/123/137/138 of 2020. The final order of the aforesaid appeal was issued by Hon'ble APTEL on 09.11.2021.*

- d. *Trading of green energy (GDAM) on the platform of Power Exchange commenced from August 2020 after approval of CERC. However, the rates of green energy in Power Exchange are on higher side as compared to the rates approved by Hon'ble MPERC in MPIDC's ARR & Tariff orders.*
- x. *That, it is submitted that as per the order dated 07.02.2024 of the Hon'ble Commission, there is an obligation for purchase of 3,55,622 RECs for the period between FY 2010-11 to FY 2020-21. It is submitted that respondent-MPIDC has already purchased 50% of the above-stated RECs i.e., 1,77,811 RECs on 27th March 2024 from Power Exchange. MPIDC submitted their compliance letter dated 28.03.2024, and the remaining 1,77,811 RECs shall be purchased by FY 2024-25 before 6th August, 2024. This mechanism aims to evenly distribute the cost incurred in purchasing RECs across the consumer tariffs in the SEZ for FY 2024-25 and FY 2025-26 to minimize the tariff hike.*
- xi. *It is also submitted that MPIDC has already complied with its RPO obligation for FY 2022-23 by purchasing 93,410 RECs from open market. MPIDC has complied with its RPO obligation for FY 2023-24 by purchasing 1,30,779 RECs from power exchange. It is submitted that MPIDC has also provided this information with the Hon'ble Commission vide its letter dated 28.03.2024.*
- xii. *It is respectfully submitted that the Hon'ble Commission on various occasions have considered the request of Discoms under Regulation 15.4 of the MPERC (Co-generation and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations, 2021 which provides that in case of genuine difficulty in complying with the RPO obligations the Obligated Entity can approach the Commission. It is submitted that the respondent's circumstances, as explained above, which led to non-compliance of RPO obligation for the years FY 2010-11 to FY 2020-21 were genuine and no such action was deliberate on part of the respondent-MPIDC. Therefore, considering that the respondent's reasons for non-compliance of RPO obligations non deliberate and all efforts have been ensured to fulfill the backlog RPO obligations at the earliest, the respondent-MPIDC respectfully prays that this suo-motu action under Section 142 of Electricity Act, 2003 read with provisions of Regulations 15 of the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), 2010 & 2021 for failure to comply with the RPO targets during the period FY 2010-11 to 2021-22, to be dropped by the Hon'ble Commission, in the interest of justice.*
6. At the hearing held on 16.04.2024, Respondent reiterated the submissions made in the written response and prayed to drop the proceedings initiated under section 142 of the Electricity Act 2003. Respondent sought time for written submission in the matter. Five days time is granted for filing written submission. Case was closed for order.
7. Respondent, MPIDC by Letter dated 22.04.2024 submitted the following in its Written Submission:
- i. *That the respondent-MPIDC vide its letter dated 14.06.2023 had requested the Hon'ble Commission for approval to purchase Renewable Energy Certificates for compliance of RPO prior to FY 2022-23 in which MPIDC addressed the issue regarding fulfillment of RPO target in the following parts:*

- *Part 1 – Fulfillment of RPO Compliance for the period FY 2010-11 to FY 2015-16.*
 - *Part 2 – Fulfillment of RPO Compliance target from FY 2022-23.*
 - *Part 3 – Fulfillment of RPO Compliance for the period FY 2016-17 to FY 2021-22.*
- a. *It was stated that regarding fulfillment of RPO compliance for the period FY 2010-11 to FY 2015-16, the petitioner had procured power from MPPMCL through short term contracts till 28.03.2016 and within the said contract the obligation towards RPO compliance was also undertaken by MPPMCL as mentioned in their letter dated 24.06.2014.*
- b. *It was also apprised to the Hon'ble Commission that MPIDC has successfully fulfilled/complied the RPO for FY 2022-23 by way of procurement of RECs.*
- c. *With respect to fulfillment of RPO compliance for the period FY 2016-17 to FY 2021-22, the respondent-MPIDC stated that it is procuring thermal power from MPPMCL under long-term agreement since 29.03.2016 and the MPIDC is liable to procure renewable power separately to fulfill its RPO obligation. Since MPPMCL is fulfilling MPIDC's entire demand and as per directive no. (viii) of the order dated 30.03.2016 of Government of Madhya Pradesh the MPIDC requested MPPMCL to quote for renewable power (Solar and Non-Solar) through its letters dated 09.02.2018 and 22.07.2022, however, the MPIDC has not received any quotations or reply from MPPMCL so far.*
- d. *The respondent-MPIDC in the aforesaid letter calculated 2,92,559 nos. of REC which it was working out to comply with the backlog of the RPO from FY 2016-17 to FY 2021-22.*
- ii. *That, in pursuance of the above, the respondent-MPIDC preferred passed in Petition No.46/2023 before the Hon'ble Commission seeking reliefs to carry forward the backlogs/ carry forward RPO obligation of MPIDC for FY 2016-17 to FY 2021-22 in next financial year and to approve the purchase of RECs and procurement of backlogs/ carry forward RPO from open market for FY 2016-17 to FY 2021-22.*
- iii. *That, the Hon'ble Commission vide its order dated 07.02.2024 passed in Petition No.46/2023 observed that:*
- a. *MPIDC is not entitled and allowed to carry forward the RPO compliance requirement for the period from 2010-11 to 12.11.2021 under the provisions of MPERC regulations. However, the Hon'ble Commission allowed the respondent-MPIDC to purchase required RECs (for the period from 2010-11 to 2021-22) for the market as per the provisions of applicable regulations and prevailing directions of the Central Electricity Regulatory Commission relating to procurement of RECs within next 6 months.*
- b. *The Hon'ble Commission also observed that since the respondent-MPIDC has failed to comply with the RPO targets during the period FY 2010-11 to 2021-22, hence, proceedings against the MPIDC under Section 142 of the Act read with the provisions of regulation 15 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010 & 2021 be initiated.*
- iv. *That, in furtherance of the aforesaid directives, the respondent-MPIDC received the instant suo-motu notice from the Hon'ble Commission for non-compliance of the RPO targets during the period FY 2010- 11 to 2021-22.*

- v. *That, the respondent vide its Petition No.46/2023 had already submitted and duly apprised the Hon'ble Commission of genuine difficulty and peculiar situation faced by MPIDC in fulfilling the RPO obligations and had requested a one-time opportunity to comply with the backlog RPO by purchase of RECs. The reasons and difficulties which were faced by MPIDC are being re-iterated below:*
- a. *As per Government of Madhya Pradesh order dated 30.03.2016 directive no. (vii) MPIDC has signed Long-Term Bulk Power Supply Agreement with MPPMCL for 40 MW on 29.03.2016 for 25 years to meet its total power requirement from MPPMCL. As per directive no. (viii) MPIDC had requested MPPMCL to supply green power to fulfill its RPO obligation, however, response from MPPMCL is still awaited.*
- b. *Due to non-acceptance of Petition of MPIDC (till FY 2016-17) by the Hon'ble Commission, MPIDC was suffering huge loss of Rs. 25 crores per year. However, after complying with all the directives of the Hon'ble Commission. MPIDC filed True. Up Petition for FY 2010-II to FY 2015-16 on 20.01.2018 for a revenue gap of Rs. 85.93 crores and the Hon'ble Commission passed its order on 13.01.2020 with Net Revenue Gap of Rs. 21.72 Crore.*
- c. *Trading or REC was kept on hold by Hon'ble APTEL till the final outcome of Appeal No. 113/117/118/123/137/138 of 2020. The final order of the aforesaid appeal was issued by Hon'ble APTEL on 09.11.2021.*
- d. *Trading of green energy (GDAM) on the platform of Power Exchange commenced from August 2020 after approval of CERC. However, the rates of green energy in Power Exchange are on higher side as compared to the rates approved by Hon'ble MPERC in MPIDC's ARR & Tariff orders.*
- vi. *That, nevertheless, since as per the order dated 07.02.2024 of the Hon'ble Commission, there is an obligation for purchase of 3,55,622 RECs for the period between FY 2010-11 to FY 2020-21, against the same, the respondent-MPIDC has already purchased 50% of the above-stated RECs i.e., 1,77,811 RECs on 27.03.2024 from Power Exchange and submitted its compliance letter dated 28.03.2024, and the remaining 1,77,811 RECs shall be purchased by FY 2024-25 before 06.08.2024.*
- vii. *MPIDC has already complied with its RPO obligation for FY 2022-23 by purchasing 93,410 RECs from open market.*
- viii. *MPIDC has also complied with its RPO obligation for FY 2023-24 by purchasing 1,30,779 RECs from Power Exchange. It is submitted that MPIDC has also provided this information with the Hon'ble Commission vide its letter dated 28.03.2024.*
- ix. *The Hon'ble Supreme Court while deciding a contempt petition in the case of **Ram Kishan v. Tarun Bajaj & Ors. (2014) 16 SCC 204**, has observed that in order to punish a contemnor, it has to be established that disobedience of the order is 'willful' which means an act done knowingly, intentionally, consciously, calculatedly and deliberately with full knowledge of consequences flowing therefrom. It excludes casual, accidental, bonafide or unintentional acts or genuine inability. A copy of the judgement of the Hon'ble Apex Court in **Ram Kishan v. Tarun Bajaj & Ors. (2014) 16 SCC 204** is attached.*
- x. *In other words, there is a difference between Willful Disobedience and Inability to fulfill obligations as also noted by the Hon'ble Apex Court. In the instant case the MPIDC has been extremely open*

and transparent about its difficulties in fulfilling its RPO obligations and the same cannot be categorized or termed as willful disobedience.

- xi. *It is submitted that the respondent's circumstances, as explained above, which led to non-compliance of RPO obligation for the years FY 2010-11 to FY 2020-21 were genuine and no such action was deliberate on part of the respondent-MP IDC to avoid RPO Obligation. Hence, as per the observation made by the Apex Court in Ram Kishan (supra), the action/ inaction on part of MP IDC of non-compliance of RPO obligation cannot be said to be calculatedly and deliberately, and per se, does not fall within the ambit of willful disobedience which can make MP IDC liable for punishment.*
- xii. *Moreover, it is respectfully submitted that the Hon'ble Commission on various occasions have considered the request of Discoms under Regulation 15.4 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations, 2021 which provides that in case of genuine difficulty in complying with the RPO obligations the Obligated Entity can approach the Commission.*
- xiii. *Therefore, considering that the respondent's reasons for non-compliance of RPO obligations non-deliberate and all efforts have been ensured to fulfill the backlog RPO obligations at the earliest, the respondent-MP IDC respectfully prays that this suo-motu action under Section 142 of Electricity Act, 2003 read with provisions of Regulations 15 of the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), 2010 & 2021 for failure to comply with the RPO targets during the period FY 2010-11 to 2021-22, to be dropped by the Hon'ble Commission, in the interest of justice.*

8. **Commission's observations and findings:**

- (i) Commission has noted that being an obligated entity, respondent MP IDC had to comply with the RPO fulfillment from 2010-11 onwards. However, the respondent completely ignored its obligation and did not approach this Commission on its own until directions for fulfillment of backlog of RPO for the period from 2015-16 to 2021-22 were passed by Commission in its order dated 02.05.2022 in Petition no. 03 of 2022. Commission also noted that respondent earlier claimed that RPO for the period from 2010-11 to 2014-15 was fulfilled by MP Power Management Co. Limited which was refuted by MPPMCL in its reply submitted in Petition no. 46 of 2023. Respondent subsequently agreed to fulfill RPO for the period from 2010-11 to 2014-15 also in addition to the period from 2015-16 to 2021-22.
- (ii) Commission has already allowed the respondent to procure REC for the period from 2010-11 to 2021-22 in its order dated 07.02.2024 passed in Petition No. 46 of 2023. The relevant extract of the order in this regard is reproduced as under: -

“Commission noted that since there were no provisions to carry forward the RPO backlog to next year during past period, RPO had to be complied within the concerned years itself. Since the petitioner failed to comply with the RPO targets during the period FY 2010-11 to 2021-22, petitioner is squarely in default of the regulations and provisions under regulation 15 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations 2010 & 2021. Commission directs the Secretary of the Commission to initiate proceedings against the petitioner under section 142 of the Act read with the provisions of regulation 15 of the MPERC

(Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations 2010 & 2021. The RPO compliance during FY 2022-23 shall be examined separately by the Commission after finalization of truing up petition for FY 2022-23 of the petitioner. However, considering the willingness of the petitioner to procure RECs for the entire backlog in next 6 months, Commission in exercise of its powers vested under regulation 18 & 19 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations 2021, hereby allows the petitioner to purchase required RECs (for the period from 2010-11 to 2021-22) from the market as per the provisions of applicable regulations and prevailing directions of the Central Electricity Regulatory Commission relating to procurement of RECs, within next 6 months from the date of this order and submit the RECs so procured to Nodal Agency and Commission within 15 days of such procurement as per the provisions of regulation 13.3 of the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy), Regulations 2021.”

- (iii) Commission noted that no new submission has been made by respondent to justify its in-action towards timely procurement of REC for a very long period except of praying to drop proceedings under section 142 as they are willing to procure RECs for the entire period from 2010-11 to 2021-22 as per direction of this Commission and that they have taken timely action for procurement of required RECs for subsequent period of 2022-23 to 2023-24. The Commission is of the view that the respondent has not taken timely action for procurement of RECs on his own and Commission had to issue directions in this regard.
- (iv) Commission had specified following renewable purchase obligations for obligated entities during the period from 2010-11 to 2021-22: -

S. No.	Financial Year	RPO Targets for Cogeneration and other Renewable Sources of Energy		
		Solar (%)	Non-Solar (%)	Total (%)
(1)	(2)	(3)	(4)	(5)
1	2010-11	-	0.80	0.80
2	2011-12	0.40	2.10	2.50
3	2012-13	0.60	3.40	4.00
4	2013-14	0.80	4.70	5.50
5	2014-15	1.00	6.00	7.00
6	2015-16	1.00	6.00	7.00
7	2016-17	1.25	6.50	7.75
8	2017-18	1.50	7.00	8.50
9	2018-19	1.75	7.50	9.25

10	2019-20	4.00	8.00	12.00
11	2020-21	6.00	8.50	14.50
12	2021-22	8.00	9.00	17.00

- (v) Commission has determined the power purchase requirement of MPIDC in truing up orders as under: -

Year	Claimed (MU)	Admitted (MU)
FY 2010-11	177.96	177.96
FY 2011-12	179.56	179.56
FY 2012-13	194.03	194.03
FY 2013-14	209.47	209.47
FY 2014-15	242.13	242.13
FY 2015-16	301.68	301.68
FY 2016-17	333.50	329.97
FY 2017-18	370.16	370.16
FY 2018-19	398.01	397.85
FY 2019-20	417.02	417.02
FY 2020-21	452.80	452.94
FY 2021-22	487.49	488.25

- (vi) Currently, as per the per the provisions of applicable regulations and prevailing directions of the Central Electricity Regulatory Commission relating to procurement of RECs, technology-specific RECs are not being traded on exchanges, as such REC's requirement of respondent MPIDC is determined by the Commission on total RPO target as under: -

Year	Admitted (MU)	Total RPO Target (%)	Total RPO Energy (MU)	Required RECs
	(A)	(B)	(C)= (A*B/100)	(D)= (C*1000)
FY 2010-11	177.96	0.80	1.424	1424

FY 2011-12	179.56	2.50	4.489	4489
FY 2012-13	194.03	4.00	7.761	7761
FY 2013-14	209.47	5.50	11.521	11521
FY 2014-15	242.13	7.00	16.949	16949
FY 2015-16	301.68	7.00	21.118	21118
FY 2016-17	329.97	7.75	25.573	25573
FY 2017-18	370.16	8.50	31.464	31464
FY 2018-19	397.85	9.25	36.801	36801
FY 2019-20	417.02	12.00	50.042	50042
FY 2020-21	452.94	14.50	65.676	65676
FY 2021-22	488.25	17.00	83.003	83003
Total RECs Required				355821

- (vii) Respondent has submitted REC certificate no. PXMM03241462 dated 27.03.2024 towards procurement of 20800 RECs which includes 177811 RECs for the period from FY 2010-11 to FY 2021-22. Therefore, the balance requirement of RECs for the aforesaid period would be 178009 which should be procured and submitted by MPIDC to the Commission within the time frame allowed in order dated 07.02.2024 passed in petition no. 46 of 2023.
- (viii) Commission also noted that respondent MPIDC has submitted details of RECs procured by them towards RPO compliance for FY 2022-23 and 2023-24, although this matter is not in the scope of current proceedings. Commission, therefore, decides not to deal with the RPO compliance for FY 2022-23 and 2023-24 in these proceedings.

Conclusion

9. In light of the observations and findings in Para 8, following order is passed by the Commission: -
- (i) Respondent MPIDC shall procure the balance requirement of RECs of 178009 numbers for the period from FY 2010-11 to FY 2021-22 within the stipulated period as allowed in order dated 07.02.2024 passed in petition no. 46 of 2023 and submit the same to Commission through nodal agency i.e. MPUVNL, Bhopal immediately after procurement.
- (ii) MPUVNL shall verify the certificates procured by MPIDC in compliance with the above directions and submit its report to the Commission within 7 days of receipt of the certificates from MPIDC.

- (iii) MPIDC is directed to submit details regarding RPO compliance for FY 2022-23 and 2023-24 to the nodal agency i.e. MP Urja Vikas Nigam Limited within 30 days from the date of this order and the nodal agency is directed to verify the same and submit its report to the Commission within 10 days of receipt of information from MPIDC.
- (iv) Commission imposes a token penalty of ₹1 (INR one) only on MPIDC towards default in ensuring timely action on its own for procurement of RECs from time to time.
- (v) Secretary of Commission shall also send a copy of this order to MPUVNL, Bhopal for compliance.

With the above directions, instant suo-moto petition stands disposed of.

(Prashant Chaturvedi)
Member

(Gopal Srivastava)
Member (Law)

(S.P.S. Parihar)
Chairman