

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.16, C-1, Miller Tank Bed Area, Vasanthanagar, Bangalore – 560 052

Present

Shri P. Ravi Kumar	.. Chairman
Shri H.K. Jagadeesh	.. Member (Legal)
Shri Jawaid Akhtar	.. Member

Preamble

1. In exercise of the powers conferred under clause (e) of the subsection (1) of Section 86 read with Section 181 of the Electricity Act 2003 (Central Act 36 of 2003) and all the other powers enabling it in this behalf, the Commission has notified the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations 2011, amended from time to time, latest being the Tenth (10th) Amendment. The Commission in the KERC (Procurement of Energy from Renewable Sources) (Eighth Amendment) Regulations 2022 had specified the Renewable Purchase Obligation (RPO) trajectory applicable to the ESCOMs and other obligated entities till 2024-25. The Commission in the Tariff Order for FY25 dated 28-02-2024 had directed the ESCOMs to comply with the RPO targets as per the provisions of the above said Regulations for the year 2024-25. The RPO targets as per the Regulations are as given below:

RPO targets as per the KERC (Procurement of energy from Renewable Sources) (8th Amendment) Regulations, 2022

Year	BESCOM	MESCOM	CESE	HESCOM	GESCOM
2022-23	23.75%	25.00%	22.50%	22.50%	20.50%
2023-24	25.25%	26.50%	24.00%	24.00%	22.00%
2024-25	26.75%	28.00%	25.50%	25.50%	23.50%

**HRECS, deemed licensees, other designated consumers (open access, captive) RPO as per respective ESCOMs shall apply*

2. In the meantime, Government of India in exercise of the powers conferred as per clauses (n) and (x) of Section 14 of the Energy Conservation Act, 2001 (Act

No. 52 of 2001 amended vide the Energy Conservation (Amendment) Act, 2022 (No. 19 of 2022) notified on 20th December 2022) had issued the Notification No. S.O. 4617(E) dated 20-10-2023 specifying minimum share of consumption of non-fossil sources (renewable energy) by designated consumers as energy or feedstock by the electricity distribution licensees and other designated consumers who are open access consumers or captive users to the extent of consumption of electricity from sources other than distribution licensees, as a percentage of their total share of energy consumption. Relevant portion of the said Notification detailing the RPO is reproduced below:

TABLE

Sl.NO	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2	2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
3	2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
4	2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
5	2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
6	2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

Note 1: *For hilly and North-Eastern States/Union Territories, namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Ladakh, Himachal Pradesh and Uttarakhand, the distributed renewable energy component shall be half of that given in the Table and the remaining component for these States shall be included in the other renewable energy sources.

Note 2: The wind renewable energy component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March, 2024.

Note 3: The hydro renewable energy component shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31st March, 2024:

Provided that the hydro renewable energy component may also be met out of the free power being provided to the State/DISCOM from the Hydro Power Projects commissioned after the 31st March, 2024:

Provided further that the hydro renewable energy component may also be met from Hydro Power Projects located outside India as approved by the Central Government on a case to- case basis.

Note 4: The distributed renewable energy component shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government:

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).

Note 5: The other renewable energy component may be met by energy produced from any renewable energy power project other than specified in Note 2, 3 and 4 and shall comprise energy from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], including free power, commissioned before the 1st April, 2024.

3. Clause 8 of the said Gol Notification states that **"This notification shall come into force on the 1st day of April, 2024...."** It is to be noted that MNRE has already informed the States/UTs about the revision in the RPO trajectory and penalties under the EC Act vide letter dated 28/11/2023 and 01/02/2024. Accordingly, the RPO stipulated as per the provisions of the above Notification is to be made applicable for the year 2024-25.
4. It is to be noted that, the RPO targets stipulated as per the provisions of KERC (Procurement of Energy from Renewable Sources) Regulations are different from the provisions of Gol notification dated 20-10-2023. As per the provisions of the KERC Regulations, RPO target for each of the ESCOMs is different whereas target as per the Government of India Notification dated 20-10-2023 is applicable to the State as a whole. Further, there are also differences in the provisions regarding the sources of RE energy, fungibility, net consumption for calculation of RPO, penalty provisions for non-compliance, etc. Hence, giving effect to the provisions of the KERC Regulations as well as the provisions of the Gol notification simultaneously would be difficult.
5. Accordingly, in order to give effect to the provisions regarding the RPO for the year 2024-25, the Commission in exercise of the powers conferred under the Regulation 12 of the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations 2011, issues the following Order for removal of difficulties arising out of the implementation of the Regulations.

ORDER

1. The RPO target and related matters applicable for the year 2024-25 (FY25) for all the ESCOMs and HRECS, deemed licensees, the Designated consumers including captive and open access consumers shall be as per the provisions of the Energy Conservation (Amendment) Act, 2022 (Act No. 19 of 2022) and Government of

India Notification No. S.O. 4617(E) dated 20-10-2023. The directions given in the Tariff Order for FY 25 dated 28-2-2024 stand modified to this effect.

2. Accordingly, the Office is directed to propose necessary amendments to the KERC (Procurement of Energy from Renewable Sources) Regulations duly following the procedure.

Dated on this day of 8th October, 2024



P. RAVI KUMAR)
Chairman



(H.K. JAGADEESH)
Member (Legal)



(JAWAID AKHTAR)
Member