

To
The Secretary
Telangana State Electricity Regulatory Commission
5th floor, Singareni Bhavan, Red Hills
Hyderabad - 500 004

December 22, 2020

Respected Sir,

Sub : Submissions in O.P.No.31 of 2020 relating to compliance of obligations under renewable power purchase obligation order of the Hon'ble Commission by captive power plants and open access power consumers for the year 2018-19

With reference to your public notice dated 5.12.2020, I am submitting the following points on the subject issue for the consideration of the Hon'ble Commission:

1. As per TSERC RPPO regulations, captive power plants and open access power consumers, among others, have to comply with the RPPO issued by the Hon'ble Commission. If they do not fulfill the RPPO, the Commission may direct them to deposit into a separate fund, to be created and maintained by the State Agency, i.e., the State Despatch Centre of the State of Telangana, such amount on the basis of the shortfall in units of the RPPO and the forbearance price decided by the Central Commission. Where they fail to comply with the obligation, they shall, in addition to the compliance of the directions under clause 8.1 of the regulations, be liable for penalty as may be decided by the Commission under section 142 of the Electricity Act, 2003. Out of 102 obligated entities for which SLDC had given its report for the year 2018-19, several obligated entities have not fulfilled their obligations under RPPO. They attract the above-mentioned provisions. Since RPPO continues to be in force, the Hon'ble Commission may initiate action accordingly. Since it is a belated taking up of the issue, if the obligated entities fulfilled their compliance with RPPO for the year 2018-19 in subsequent years, the Hon'ble Commission may consider to permit the same, without subjecting them to payment of forbearance price and penalty.
2. With a view to encouraging generation and consumption of non-conventional energy, RPPO has been introduced by the GoI following which SERCs have been issuing RPPO orders periodically. Because the tariffs for NCE used to be high, Discoms and other users of power won't prefer to purchase it, RPPO was introduced. The process of encouraging generation and consumption of NCE was initiated by the GoI from the year 1994-95. Apart from financial impact on the obligated entities, there have been problems of grid integration and costs relating to NCE, as a result of being forced under RPPO or otherwise. Where the Discoms or other obligated entities have had to purchase NCE which has not been required by them, it has been creating problems for them. If purchase and consumption of NCE is economical, the Discoms and other obligated entities themselves can voluntarily resort to purchasing it to the extent required. The very fact that even after two and a half decades of experience of encouraging generation and consumption of NCE,

that the system of RPP0 is being continued confirms problematic nature of integrating NCE into grid, in addition to other problems being faced by the Discoms and other obligated entities. Now that the process of competitive bidding is being followed everywhere in the country for purchase of NCE and renewable energy and tariffs are falling drastically, RPP0 has become redundant. Therefore, the Hon'ble Commission is requested to reexamine the issue of RPP0 and dispense with it, if law permits.

3. I request the Hon'ble Commission to provide me an opportunity to make further submissions during the virtual public hearing on the subject issue.

Thanking you,

Yours sincerely,

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