

**JOINT ELECTRICITY REGULATORY COMMISSION FOR
THE STATE OF GOA AND UNION TERRITORIES
GURGAON**

Coram*
Shri S.K.Chaturvedi, Chairperson
Petition No. 134/2014
Date of Order 24.06.2014

In the matter of

Petition for seeking orders/ directions for providing regulatory framework on LT Connectivity and Net Metering for Solar Photovoltaic Power Plants in UT Chandigarh under Sections 86 and 181 of the Electricity Act, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010.

And in the matter of

Chandigarh Renewable Energy Science & Technology
Promotion Society (CREST)

.....Petitioner

Vs.

Electricity Department – Chandigarh

.....Respondent

For Petitioner

1. Shri. Aditya Grover, Advocate, CREST
2. Shri. Santosh Kumar, CEO, CREST

For Respondent

1. Shri M.P. Singh, SE, ED- Chandigarh.
2. Shri Sunil Sharma, X-en, ED- Chandigarh.
3. Shri Pawan Sharma, AEE, ED- Chandigarh.

Order

Chandigarh Renewable Energy Science & Technology Promotion Society (CREST)- Petitioner has filed the present petition for seeking orders/ directions of this Commission for providing regulatory framework on LT Connectivity and Net Metering for Solar Photovoltaic Power Plants in UT Chandigarh under Sections 86 and 181 of the Electricity Act, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010.

In brief the case of the petitioner is that Chandigarh Renewable Energy Science & Technology Promotion Society herein after in short referred as CREST is a Society registered under Societies Registration Act, 1860 and has been designated as executing agency for Renewable Energy Projects of Department of Science & Technology, UT Chandigarh, presently engaged in developing Chandigarh as Model Solar city, installation of rooftop based Solar Photovoltaic Power Plants on different Government buildings and as on today 8 Grid Interactive Solar Photovoltaic Power Plants have been commissioned.

The basic aims & objectives of the CREST is as detailed in MOA of the society. Which includes:-

1. To promote the development/implementation of alternative non-conventional energy technologies as per MRES, GOI guidelines.
2. Promotion and development/implementation of alternative non-conventional energy technologies programs/ projects.
3. Promotion of Non- Conventional energy source/ programme in the UT Chandigarh.
4. Promotion & Development of projects based on Non- Conventional Energy.
5. To set in place the policies/ guidelines for facilitating private sector participation in Non-Conventional energy based projects.

The Ministry of New & Renewable Energy (MNRE), Govt. of India has declared Chandigarh as Model Solar City. The Department of Science & Technology has been designated as Nodal Department for Renewable Energy Projects by UT Chandigarh. CREST has been designated as Executing Agency for all Renewable energy projects including rooftop based solar power plant for UT Chandigarh.

The MNRE has sanctioned Rooftop based Solar Photovoltaic (SPV) power projects of overall capacity of 4820 KWp till date for UT Chandigarh to be executed by CREST. A Solar city is successful only when majority of its residents starts using solar energy in their day to day life. For this CREST is taking active steps in creating awareness about use of solar energy. However, it also requires regulatory framework in place for connecting the excess solar power to the Grid on LT side and Existence of "Net Metering" Mechanism.

The Commission under Section 181 of the Electricity Act, 2003 is empowered to make regulations consistent with the EA, 2003. The Commission under Section 86 of the EA, 2003 is required to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

The Commission as per the provisions of EA, 2003, Tariff Policy and National Electricity Policy framed Joint Electricity Regulatory Commission for State of Goa and Union Territories (Procurement of Renewable Energy) Regulations, 2010 and under Regulation 1 of JERC (Procurement of Renewable Energy) Regulations, 2010 specified Renewable Purchase Obligation as under:-

Regulation 1.1 of JERC (Procurement of Renewable Energy) Regulations, 2010

Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year. The defined minimum percentages are given below in the table – 1.

RPO targets specified under Regulations 1.1 of JERC (Procurement of Renewable Energy) Regulations, 2010

FY	<i>Minimum Quantum of purchase (in %) from renewable energy sources (In kWh)</i>		
	Total	Solar	Non- Solar
2010-11	1%	0.25%	0.75%
2011-12	2%	0.30%	1.70%
2012-13	3%	0.40%	2.60%

Regulation 1.2 of JERC (Procurement of Renewable Energy) Regulations, 2010

As per Regulation 1.2 of JERC (Procurement of Renewable Energy) Regulations, 2010 the RPO specified for the financial year 2012-13 shall be continued beyond 2012-13 till any revision is effected by the Commission in this regard.

It appears from the above that for the FY 2013-14 the Hon'ble Commission has specified solar RPO at 0.4% of the total consumption.

Further the case of the petitioner is that 'Net Metering' is a mechanism under which the consumers who may also be the owner of renewable energy generating facilities, e.g. small rooftop photovoltaic system, are permitted to connect their generation facilities to the electricity grid and provides consumers 'preference of use' of the electricity generated through their facilities and inject surplus electricity in the distribution network and may get compensated, in-kind or in- cash, at agreed terms and conditions. The mechanism measures the electricity consumed from the distribution licensee as well as produced by the renewable energy facility.

This mechanism aims at encouraging consumers to invest in environmentally benign modes of electricity generation at their end together with use of the services of the distribution utility. The owner of the facility shall enter into an agreement, as specified by the appropriate Commission or agency with the distribution licensee towards treatment of electricity self- consumed and the electricity injected into the grid encompassing the commercial settlement conditions. This mechanism shall be simplified by way of deployment of solar rooftop generation and aims at contributing to the targets envisaged under the JNNSM.

The benefits of net metering shall be to the consumers as well as to the distribution licensee. The consumers may reduce their electricity import from the grid and in turn lower their electricity bills along with the benefit of power supply for self-consumption even in the absence of the electricity grid. Further, they shall also be permitted to supply surplus electricity to the electricity grid at a pre-determined rate, which may be specified by the State Electricity Regulatory Commission. Other intangible benefits include encouragement to consumers in playing an active role in environment benign mode of energy generation, which both protects the nature and helps preserve fossil fuel resources. It shall also encourage in consumers becoming self-reliant. The net metering mechanism shall also aid in reduced investment in transmission and distribution network as well as reduced cost of managing scheduling and delivery of electricity.

Section 42 of the EA, 2003 provides for duties of distribution utility and obligation to supply electricity in its area of supply. The net energy metering shall also benefit to the distribution licensees to fulfill their obligation to supply electricity efficiently by improving demand & supply situation. It shall also enable the distribution licensees to cater to energy requirement especially during the peak hours. It has been observed that the distribution licensees purchase significant amount of electricity during peak hours from open market at higher cost and under such circumstances, the net metering provision may enable distribution utility to avoid costly power purchase. The distribution licensees shall also be able to manage to reduce the network losses and commercial losses, as the surplus power shall be generated and consumed near to load centers. Moreover, injection of surplus electricity from rooftop photovoltaic facilities would encourage the distribution utility for minimum load shedding and encourage continuous power supply in its area of supply. The mechanism may also benefit the distribution licensee to comply with the renewable purchase obligation target as specified by the Regulatory Commissions from time to time. Other intangible benefits for the distribution licensee shall include acquiring green energy status by the distribution utility.

The Regulatory Commission of many states like West Bengal, Andhra Pradesh, Tamilnadu have already come out with regulatory framework orders for connectivity to grid on LT side and Net metering Arrangement. The DERC has also published the draft proposal inviting suggestions on LT Connectivity & Net metering.

The petitioner has prayed the Commission to issue suitable orders/directions providing for a regulatory framework for connectivity of solar power to the Grid on LT side along with 'Net Metering' facility for UT Chandigarh to encourage the production & use of Renewable Energy like Solar Energy and to develop Chandigarh as Model Solar City as decided by Govt. of India.

The petition was received in the Commission on 14.03.2014. The petition was examined and found as per JERC (Conduct of Business) Regulations, 2009 and provisions of the Electricity Act, 2003.

The Commission admitted the petition on 19.03.2014. The Commission sent hearing notice to the parties for 24.06.2014.

The respondent did not file reply/ objection to the petition. The representative of the respondent stated at bar that they do not want to file reply/ objection to the petition and have no objection if regulatory framework is prepared and published for LT Connectivity and Net Metering for Solar Photovoltaic Power Plants in UT Chandigarh under Sections 86 and 181 of the Electricity Act, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010.

The Commission heard the representatives of the parties at length and has gone through the petition and accompanying documents as well as provisions of Sections 86 and 181 of the EA, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010 carefully and thoroughly. The Commission after having heard both the sides and going through the petition, accompanying documents and relevant of law is in full agreement with the petitioner that the Commission under Section 181 of the EA, 2003 is empowered to frame regulations in consistent with the EA, 2003 and the Rules generally to carry out the provisions of the EA, 2003.

The Commission under Section 86 (l) (e) of the EA, 2003 is required to promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for

connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.

The Commission under section 181 of EA, 2003 has also framed JERC (Procurement of Renewable Energy) Regulations, 2010 and under regulations 1.1 and 1.2 of JERC (Procurement of Renewable Energy) Regulations, 2010 specified RPOs for its licensees, therefore, licensees are required to fulfill RPOs specified under regulations 1.1 and 1.2 of JERC (Procurement of Renewable Energy) Regulations, 2010.

The Commission is aware of its duties and obligations, therefore, the Commission has already started the process of preparing **Joint Electricity Regulatory Commission for the State of Goa and Union Territories- Solar Power Tariff- Ground Mounted Grid Connected and Solar Rooftop with Net Metering Regulations, 2014** for LT Connectivity and Net Metering for Solar Photovoltaic Power Plants in UT Chandigarh and all its other licensees under Sections 86 and 181 of the Electricity Act, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010 . The regulations are in the final stage and are likely to be finalised soon. The Commission after preparing the regulations shall upload the regulations on the website of the Commission within a fortnight for inviting objections. The Commission after receipt of objections, if any, from the stakeholders and all concerned and considering the same shall finalise and notify the regulations for LT Connectivity and Net Metering for Solar Photovoltaic Power Plants in UT Chandigarh and all its other licensees under Sections 86 and 181 of the Electricity Act, 2003 and JERC (Procurement of Renewable Energy) Regulations, 2010.

Therefore, the petition stands disposed off accordingly.

24.06.2014

Sd/-
(S.K.Chaturvedi)
Chairman
Member (Vacant)

- * As per Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 "Coram is two". Whereas as per proviso of Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 if Chairperson or the Member is prevented from attending hearing of which he has been given notice the Member or the Chairman as the case may be attending the meeting shall validly constitute the Coram. Post of the Member is vacant. According to provisions of Section 93 of the Electricity Act, 2003 no act or proceedings of the appropriate Commission shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the Constitution of the appropriate Commission. So the Chairperson only constitute a valid Coram.

Certified Copy


(Keerti Tewari)
Secretary

कीर्ति तिवारी/Keerti Tewari
सचिव/Secretary
संयुक्त विद्युत विनियामक आयोग
Joint Electricity Regulatory Commission
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