



Jammu & Kashmir State Electricity Regulatory Commission

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Sub:- Proposal for Renewable Power Purchase Obligations (RPO) targets from FYs 2015-16 to 2021-22.

A. INTRODUCTION:

1. Section 71 (1) (e) of the Jammu & Kashmir Electricity Act, 2010 provides that the State Electricity Regulatory Commission shall promote co-generation 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 total consumption of electricity in the area of a distribution licensee.
2. J&K State Electricity Regulatory Commission (JKSERC), under the provisions of Section 138 read with Sections 56, 60 & 71 (1) (e) of the Jammu & Kashmir Electricity Act, 2010 notified JKSERC (Renewable Power Purchase Obligation, it's compliance and REC framework implementation) Regulations, 2011 vide notification No.: JKSERC/10 Dt:11.03.2011.
3. These Regulations specify the minimum quantum of power (in % of total energy requirement) from eligible renewable energy sources to be purchased by every 'Obligated Entity' i.e. distribution Utility, users owning captive power plant and open access consumers in the state to meet the Renewable Purchase Obligation (RPO).

4. Regulation 7.1 of the above mentioned Regulations initially specified the yearly targets up to FY 2012-13. Subsequently J&KSERC, vide notification No: JKSERC/ 27 Dt: 05.03.2013 notified the targets from FY 2013-14 to FY 2016-17. The year wise RPO targets are given in the table below:

YEAR	Minimum quantum of purchase(%) from renewable energy sources(in terms of energy in kWh)		
	Solar	Non Solar	Total
2010-11	0.02	0.98	1.00
2011-12	0.10	2.90	3.00
2012-13	0.25	4.75	5.00
2013-14	0.25	4.75	5.00
2014-15	0.75	5.25	6.00
2015-16	1.50	6.00	7.50
2016-17	2.00	7.00	9.00

5. The second Multi-Year Control Period of 5 financial years, in accordance with JKSERC (Multiyear Distribution Tariff) Regulations, 2012, is commencing from FY 2016-17 for which the Utility Viz. PDD is to submit Capital Investment Plan, which includes Power Procurement Plan for FYs 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21.
6. In the Power Procurement Plan for the control period the quantum/ cost of the renewable energy has also to be factored.
7. As J&KSERC's RPO Regulations specify the RPO targets only up to 2016-17, the Commission has now worked out the targets to cover the entire Control Period i.e. from FY 2016-17 to FY 2020-2021 to enable the Distribution Utility to file Capital Investment Plan for the Control Period.

B. RPO COMPLIANCE BY UTILITY DURING 1ST MYT CONTROL PERIOD:

1. In the order on ARR for 1st 3-year MYT Control Period from FY 2013-14 to FY 2015-16 the Commission had approved the quantum of energy & cost thereof on account of RPO, after accounting for the purchase from JKSPDC, adjustable towards RPO, as given in the table below:

Particulars	2013-14		2014-15		2015-16	
	Quantum (MU)	Amount (Rs. Cr.)	Quantum (MU)	Amount (Rs. Cr.)	Quantum (MU)	Amount (Rs. Cr.)
Solar	24	22.47	77	71.91	170	158.52
Non-solar	184	92.10	266	132.92	406	202,85
Total	208	114.58	343	204.84	575	361.38

2. While reviewing the Annual Performance of FY 2013-14 it was found that the Utility has not been in a position to meet the RPO targets. Based on the total energy input as approved in the APR petition, the Utility's RPO target for the year worked out to 534 MUs which includes solar RPO of 26 MUs. The Utility could meet only a part of non-solar RPO by way of purchase from mini/small power houses of JKSPDC. Entire solar RPO targets remained un met.
3. Also based on the revised energy inputs approved by the Commission for FY 2014-15 in the ARR/Tariff order for the year, RPO targets of 607 MUs of non-solar and 87 MUs of solar energy were approved.
4. In the petition for True Up for FY 2013-14, APR for FY 2014-15 & ARR/Tariff for FY 2015-16 the Utility has submitted that during FY 2014-15 only an estimated quantum of 200.88 MUs, available from eligible hydro power houses of JKSPDC, has been procured

against RPO targets. There has been no procurement of solar power. The Utility has attributed the shortfall in procurement of solar power to the non-availability of grid connected solar power sources in the state. Moreover, the constraints in the budgetary provisions for power purchase does not allow the Utility to go for costly Solar Power from sources outside the State. The Utility has accordingly approached the Commission for review of the targets.

C. REVIEW OF RPO TARGETS:

1. The National Action Plan for Climatic Change (NAPCC) had set a target of 5% renewable energy purchase for FY 2009-10, with an increase of 1% per annum for next 10 years, thereby envisaging 10% and 15% energy purchase from renewable sources by 2014-15 and 2019-20 respectively.
2. As per National Tariff Policy (NTP) and National Solar Mission (NSM) the target for solar RPO was 0.25% by FY 2012-13 which shall go up to 3% by FY 2021-22.
3. Reviewing the targets set by the J&KSERC in it's RPO Regulations in light of the targets set under NAPCC & NTP/NSM, the RPO targets as given in the following table are proposed:

YEAR	RPO Target (% of energy)		
	Solar	Non-Solar	Total
2015-16	0.75	5.75	6.50
2016-17	1.00	6.50	7.50
2017-18	1.25	7.25	8.50
2018-19	1.50	8.00	9.50
2019-20	1.75	8.75	10.50
2020-21	2.00	9.50	11.50
2021-22	3.00	9.50	12.50

In the above table:

- i) The targets as specified in the Commission's RPO Regulations of 2011 for the current & next financial year have been revised and trajectory proposed upto FY 2021-22.
 - ii) Solar targets have been gradually enhanced, year after year, to have the targets of 3% in FY 2021-22, as set under NTP/NSM.
 - iii) Total (solar & non-solar) RPO targets as specified in Commission's RPO Regulations of 2011 have been enhanced @ 1% per annum (rate of annual increase as specified under NAPCC) from FY 2014-15 onwards.
4. The proposed targets as per above table are also comparable to the RPO targets notified in other neighbouring States like Himachal Pradesh.

Comments/suggestions from the stakeholders on the above proposals are invited by the J&K State Electricity Regulatory Commission. The comments/suggestions shall be submitted in Urdu, Hindi or English in person or may be sent by post/email to the Secretary of the Commission on the following address by 24th of July, 2015:-

Secretary, Jammu & Kashmir,
State Electricity Regulatory Commission.
H. No. 101, Sector-A, Bagh-I-Hyder,
Hyderpora Chowk (Near fly-over bridge),
Srinagar – 190014
Email: jkserc@gmail.com

In case the stakeholder wants to be heard in person, opportunity would be given by the Commission at the Public Hearing to be held at Jammu on July 22, 2015 and at Srinagar on July 25, 2015. The time & venue of the public hearings is as follows:-

Jammu

Date: 22 July, 2015

Time: 10.00 AM

Venue: PWD Guest House, Opposite Presentation Convent School, Gandhi Nagar, Jammu.

Srinagar

Date: 25 July, 2015

Time: 11.00 AM

Venue: Auditorium, IMPA, Moulana Azad Road, Srinagar

No.:JKSERC/Secy/36/370

Dated:08.07.2015


08-07-15
Secretary

J&K State Electricity Regulatory Commission
Srinagar
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