

**Draft Assam Electricity Regulatory Commission  
(Renewable Purchase Obligation and its Compliance)  
Regulations, 2010, (Third Amendment), 2019**

**Assam Electricity Regulatory Commission  
ASEB Campus, Dwarandhar, G.S. Road,  
Sixth Mile, Guwahati – 781022**

## **1. Introduction:**

- 1.1.** The Electricity Act, 2003, mandates the State Electricity Regulatory Commissions to promote cogeneration and generation from renewable energy sources by providing suitable measures for connectivity with the grid, and also to specify for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee.
- 1.2.** The National Electricity Policy reiterates that the power purchase obligation from non-conventional sources of energy, as envisaged in section 86(1)(e) of the Electricity Act, 2003 should be specified by the SERCs. Progressively the share of electricity from non-conventional sources would need to be increased as prescribed by the State Commission and the same should be reflected in tariff determination. The Tariff Policy also mandates the SERCs to fix the ‘minimum’ percentage of energy to be procured from Non-conventional energy sources taking into account the availability of such resources in the region and its impact on retail tariffs.
- 1.3.** Sub-section 1 of section 181 of the Act empowers the Commission to make regulations consistent with the Act and the rules generally to carry out the provisions of the Act. The relevant extract is reproduced below:

*“Section 181. (Powers of State Commissions to make regulations): --- (1) The State Commissions may, by notification, make regulations consistent with this Act and the rules generally to carry out the provisions of this Act.”*
- 1.4.** The Assam Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the AERC (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010, (hereinafter referred as “the Principal RPO Regulations, 2010”); which were published in the ASSAM GAZETTE, dated 2nd November, 2010. Subsequent to that the Commission has made amendment of Regulation 4.1 of the principle RPO Regulation, 2010.
- 1.5.** AND WHEREAS the Ministry of Power (MoP), GoI notified the new Tariff Policy which was published vide Gazette of India, Extraordinary, Part-1, Section-1 dated 28.01.2016.
- 1.6.** Para 6.4(1) of the Policy provides that pursuant to provisions of Section 86(1) (e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from renewable energy sources, taking into account availability of such resources and its impact on retail tariffs. Long-term growth trajectory of Renewable Purchase Obligations (RPOs) will be prescribed by the Ministry of Power in consultation with Ministry of New and Renewable Energy (MNRE).

- 1.7.** The MoP, GoI in continuation of their earlier Order No. 23/3/2017-R&R dated 22.07.2016 notified the Long-term growth trajectory of Renewable Purchase Obligations (RPOs) for Non-Solar as well as Solar Energy uniformly for all States/Union Territories, for three years from 2019-20 to 2021-22, vide letter no. 23/3/2016/R&R dated 14<sup>th</sup> June, 2018.
- 1.8.** The MoP, GoI also issued a notification on 1<sup>st</sup> February, 2019 vide no. 30/04/2018/R&R, on the capping of RPO for captive Power Plants at the RPO level applicable in the year in which plant is commissioned
- 1.9.** This has necessitated the amendment of Regulation 4.1 of the AERC (Renewable Purchase Obligation and its Compliance) Regulations, 2010;
- 1.10.** NOW, THEREFORE, in exercise of the powers conferred by sub-section (1) of section 62, section 66, clauses (a), (b) and (e) of section 86 and sub-section (1), clause (zi) of sub-section (2) of section 181, of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, the Commission proposes to amend the Assam Electricity Regulatory Commission (Renewable Power Purchase Obligation and its Compliance) Regulations, 2010 and as required by sub-section (3) of section 181 of the said Act and rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005,



**ASSAM**

**NOTIFICATION**

**Assam Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2010, (Third Amendment), 2019**

**No. AERC/578/2017** :-Whereas it is expedient to amend the provisions of the Assam Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations,2010 in exercise of powers conferred under sections 61, 66, 86(1)(e) and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and after previous publication, the Assam Electricity Regulatory Commission hereby makes the following regulations for the Renewable Purchase Obligation and its compliance:

**1. Short title and commencement**

- 1.1 These regulations may be called the AERC (Renewable Purchase Obligation and its Compliance) Regulations, 2010,(Third Amendment),2019
- 1.2 These regulations shall come into force from the date of their publication in the Assam Gazette.
- 1.3 These Regulations shall apply throughout the State of Assam.

**2. Amendment of the Regulation 4 of the Principal Regulation**

Regulation 4.1 of the Principal Regulations, shall be substituted as under-

- 4.1 Every Obligated Entity shall purchase the amount not less than percentage of its total Energy Handled from renewable energy sources under the Renewable Purchase Obligation or until reviewed by the Commission as given below:

FY	Renewable Purchase Obligation (RPO) (%)		
	Non –Solar	Solar	Total
<b>2019-20</b>	10.25%	7.25%	<b>17.50%</b>
<b>2020-21</b>	10.25%	8.75%	<b>19.00%</b>
<b>2021-22</b>	10.50%	10.50%	<b>21.00%</b>

The Obligations will be on total consumption of electricity by an obligated entity, excluding consumption met from Hydro sources of power.

- a) Provided that for Distribution Licensee, the quantum of obligation is with regard to the energy input in the system of the licensee(s) after adjustment of losses.
- b) Provide that for CPPs, RPO is pegged at the RPO level applicable in the year 2018-19. As and when the company adds to the capacity of the CPP it will have to provide for additional RPO as obligated in the year in which new capacity is commissioned.

- c) Provided that on achievement of Solar RPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess Non-Solar energy purchased beyond specified Non-Solar RPO for that particular year.
- d) Provided further that on achievement of Non-Solar RPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar energy purchased beyond specified Solar RPO for that particular year.
- e) Provided further that such obligation to purchase renewable energy shall be inclusive of the purchases, if any, from renewable energy sources already being made by concerned obligated entity.

(By the order of the Commission)

Sd/-

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