



**Petition No 1565 of 2020**  
**Before**  
**UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**  
**Lucknow**

**Quorum**

Sh. Raj Pratap Singh, Chairman

Sh. Kaushal Kishore Sharma, Member

Sh. Vinod Kumar Srivastava, Member (Law)

**In the matter of:** (a) Petition under Regulation 18 of Uttar Pradesh Electricity Regulatory Commission (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 read with Regulation 57 of UPERC (Conduct of Business) Regulations, 2019 seeking relaxation of Regulation 7 regarding implementation of the RPO Regulatory Fund as mandated by UPERC in its Order dated 30.12.2019, in the matter pertaining to Suo-Moto proceedings regarding meeting of RPO targets by the obligated entities.

(b) And hearing on notice dated 30.03.2021 issued to Director (Finance) UPPCL, under Section 142 of the Electricity Act, 2003 for non-compliance of Commission's Order dated 30.12.2019 in Suo-Moto proceedings and order dated 18.12.2020 in Petition no. 1565 of 2020.

1. Uttar Pradesh Power Corporation Ltd. Through its Chief Engineer, PPA (Renewable), 14<sup>th</sup> Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow- 226001.
2. Paschimanchal Vidyut Vitran Nigam Limited, through its Managing Director, Victoria Park, Meerut.
3. Madhyanchal Vidyut Vitran Nigam Limited, through its Managing Director, 4-A Gokhale Marg, Lucknow- 226001.
4. Purvanchal Vidyut Vitran Nigam Limited, through its Managing Director, Purvanchal Vidyut Bhawan DLW Varanasi.
5. Dakshinanchal Vidyut Vitran Nigam Limited, through its Managing Director Urja Bhawan, 220 Kv Up Sansthan Bypass Road Agra 282007.
6. Kanpur Electricity Supply Company Limited, through its Managing Director, Civil Lines KESA House, Kanpur.







.....Petitioners

**Versus**

1. Noida Power Company Limited through its Managing Director, Commercial Complex H- Block, Alpha Sector II, Greater Noida – 201308.
2. Uttar Pradesh New and Renewable Energy Development Agency through its Director, Vibhuti Khand, Gomti Nagar, Lucknow.

..... Respondents

The following were present:

1. Sh. Deepak Raizada, UPPCL
2. Sh. Sitesh Mukharjee, Advocate, UPPCL
3. Sh. Abhishek Kumar, Advocate, UPPCL
4. Sh. Alok Sharma, head Legal NPCL
5. Sh. Sanket Srivastava, NPCL
6. Sh. A.K Arora, NPCL

**ORDER**

**(Date of Hearing 03.06.2021)**

1. Sh. Sitesh Mukharjee, Counsel of UPPCL submitted that the Commission in its Order dated 29.04.2021 had observed that UPPCL has partly complied with the Commission's Order dated 30.12.2019 but the entire amount is yet to be deposited. The Commission directed UPPCL to deposit the full amount and comply with the Order in totality. The Commission however in the wake of part compliance of the Orders exempted Director (Finance) from personal appearance in Section 142 proceedings and the Commission to take a final view on the same once the compliance is made by UPPCL in line with the directions issued from time to the time. The Commission further directed UPPCL to submit pending information regarding the year wise status of RPO compliance indicating how much backlog has been cleared by till 31<sup>st</sup> March 2021 and RPO compliance status of FY 2020-21.
2. Sh. Sitesh Mukharjee, Counsel of UPPCL submitted that the Commission issued directions on two issues one was compliance of Regulatory Fund and other was the information regarding compliance of RPO till 31<sup>st</sup> March, 2021. Accordingly, the Petitioner has filed information regarding the details of amount deposited in the RPO







fund/ account by the Petitioner vide affidavit dated 31.05.2021 and another affidavit dated 31.05.2021 was filed regarding status of RPO compliance.

3. Sh. Sitesh Mukharjee further added that pursuant to the directions issued by the Commission vide Order dated 19.03.2021, the payments to the renewable energy generators are being routed through the RPO Regulatory Fund created by UPPCL. The said account will appear as a line item in the books of account of the UPPCL. He further submitted that following payments have been made to the renewable energy generators through the RPO Regulatory Fund:

Table 1: UPPCL Submission of Payments made to RE generators through the RPO Regulatory Fund

Payments made to RE generators through the RPO Regulatory Fund created by UPPCL		
SL No.	Month	Amount (Crores)
1.	March 2021	342.64
2.	April 2021	182.20
3.	May 2021	184.90
	Total	709.74

He submitted that there has been a complete compliance of the directions of the Commission.

4. Sh. Sitesh Mukharjee, Counsel of UPPCL advanced the argument by assuring the Commission that Director (finance) and UPPCL has now opened the account for Regulatory Fund and from now onwards it will become a line item in balance sheet. Also, the amount of Rs. 709.74 crore against Rs. 737.11 crore has been deposited in the account and all the payment to RE generators since march 2021 has been routed through this fund and will continue to do so in future. He further requested the Commission to discharge Director (Finance) and not to initiate the proceedings under Section 142 of the Electricity Act, 2003 against him as the bonafides of UPPCL can be seen from the fact that UPPCL has made compliance of the directions of the Commission.
5. Sh. Sitesh Mukharjee, Counsel of UPPCL submitted that as per Commission's Order dated 29.04.2021, UPPCL was to submit the year wise status of RPO compliance indicating how much backlog has been cleared by 31<sup>st</sup> March 2021 and RPO







## Uttar Pradesh Electricity Regulatory Commission

compliance status of FY 2020-21 till 31<sup>st</sup> March, 2021. The details of year wise status of RPO compliance and the backlog cleared up to FY 2020-21 are provided below: -

### A. Solar RPO Compliance

Table 2: Details of Solar RPO compliance submitted by UPPCL (in Mus)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Total Energy Consumed		112,225	111,785
Less: Hydro		13,675	13,883
Energy for RPO computation		98,550	97,901
RPO %		2%	3%
Target Energy		1,971	2,937
Actual Energy available		2,526	3,949
Prev. year (deficit)/ surplus		(3,721)	(3,166)
Cumulative (deficit)/ surplus	(3721)	(3,166)	(2,154)

### B. Non- Solar RPO Compliance

Table 3: Details of Non- Solar RPO compliance submitted by UPPCL (in Mus)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Total Energy Consumed		112,225	111,785
Less: Hydro		13,675	13,883
Energy for RPO computation		98,550	97,901
RPO %		5%	6%
Target Energy		4,928	5,874
Actual Energy available		4,670	3,806
(Shortfall)/ Surplus		(258)	(2,068)
Prev. year (deficit)/ surplus		(7,189)	(7,447)
Cumulative (deficit)/ surplus	(7,189)	(7,447)	(9,515)

### C. HPO Compliance

Table 4: Details of HPO compliance submitted by UPPCL (in MUs)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21
Total Energy Consumed		112,225	111,785
Less: Hydro		13,675	13,883
Energy for RPO computation		98,550	97,901
RPO %		1%	2%
Target Energy		986	1,958
Actual Energy available		-	128
(Shortfall)/ Surplus		(986)	(1,830)
Prev. year (deficit)/ surplus		-	(986)
Cumulative (deficit)/ surplus	-	(986)	(2,815)

6. He further submitted that increase in backlog of Non-Solar RPO and HPO is largely due to delay in SCOD of some projects on account of Covid-19 pandemic. It is submitted that project developers have been adversely impacted by the ongoing pandemic, leading in delay in commissioning of their respective projects. Further, the







PLF of bagasse-based power plants has reduced considerably. Therefore, the Petitioner is unable to meet the RPO targets and to clear the RPO backlog

### Commission's View

7. The Commission after hearing the Petitioner and considering the submissions made on record has analyzed the details provided by UPPCL. Accordingly, the Commission observed that the status of RPO compliance is as follows:

#### **A. Solar Compliance**

Table 5: Commission approved Solar Compliance of UPPCL

Financial Year	Quantum of Energy consumed at discom end*	Consumption from Hydro Power Purchase	Energy to be considered for RPO	Target (Solar)	Target (Solar)	Solar Energy Purchased	Cumulative Target	Cumulative Target Achieved	Cumulative excess /(shortfall)
FY	(in MU)	(in MU)	(in MU)	(%)	(in MU)	(in MU)	(in MU)	(in MU)	(in MU)
	A	B	C=A-B	D	E=C*D	F	G	H	I
2018-19	1,08,328.88	13,000.00	95,328.88	1.00%	953.29	1270.00	6545.85	2824.57	(3721.28)
2019-20	1,12,224.92	13,670.04	98,554.88	2.00%	1971.10	2525.92	8516.94	5350.49	(3166.45)
2020-21	1,11,785.00	12,808.46	98,976.54	3.00%	2969.30	3949.00	11486.24	9299.49	(2186.75)

#### **B. Non - Solar Compliance**

Table 6: Commission approved Non- Solar Compliance of UPPCL

Financial Year	Quantum of Energy consumed at discom end*	Consumption from Hydro Power Purchase	Energy to be considered for RPO	Target (nonSolar)	Target (non Solar)	NON Solar Energy Purchased	Cumulative Target	Cumulative Target Achieved	Cumulative excess /(shortfall)
FY	(in MU)	(in MU)	(in MU)	(%)	(in MU)	(in MU)	(in MU)	(in MU)	(in MU)
	A	B	C=A-B	D	E=C*D	F	G	H	I
2018-19	1,08,328.88	13,000.00	95,328.88	5.00%	4766.44	4720.88	35693.38	28504.39	(7188.99)
2019-20	1,12,224.92	13,670.04	98,554.88	5.00%	4927.74	4679.69	40621.12	33184.08	(7437.04)
2020-21	1,11,785.00	12,808.46	98,976.54	6.00%	5938.59	3806.00	46559.71	36990.08	(9569.63)

#### **C. HPO Compliance**

Table 7: Commission approved HPO compliance of UPPCL

Financial Year	Quantum of Energy consumed at discom end*	Consumption from Hydro Power Purchase	Energy to be considered for RPO	Target (HPO)	Target (HPO)	HPO Energy Purchased	Cumulative Target	Cumulative Target Achieved	Cumulative excess /(shortfall)
FY	(in MU)	(in MU)	(in MU)	(%)	(in MU)	(in MU)	(in MU)	(in MU)	(in MU)
	A	B	C=A-B	D	E=C*D	F	G	H	I
2018-19	1,08,328.88	13,000.00	95,328.88				0.00	0	0.00
2019-20	1,12,224.92	13,670.04	98,554.88	1.00%	985.55	0.00	985.55	0	(985.55)
2020-21	1,11,785.00	12,808.46	98,976.54	2.00%	1979.53	128.00	2965.08	128.00	(2837.08)







8. In view of significant increase in Non-Solar RPO and HPO, the Commission directs UPPCL to revisit their renewable power purchase strategy and further the Commission in exercise of the powers conferred under Regulations 18 & 19 of UPERC (Promotion of Green Energy through Renewable Purchase Obligation) Regulations, 2010 directs UPPCL to deposit the amount equivalent to the product of respective shortfall in units of Renewable Energy Purchase Obligation till FY 2020-21 and corresponding rate @ Rs. 1.00/- per unit in RPO fund/ account so created. Accordingly, the amount computed is as below: -

Table 8: Details of RPO compliance till FY 2020-21 and its corresponding amount to deposit

S.no	Parameter	Shortfall till FY 2020-21 (in MUs)	Amount @ Rs.1.00/unit (in Rs. Crores)
1.	Solar RPO	2186.75	218.67
2.	Non Solar RPO	9569.63	956.96
3.	HPO	2837.08	283.71
4.	Total	14593.46	1459.34

9. In order help the Discoms to achieve the RPO targets in FY2021-22, the Commission has considered the data submitted by Discoms in their ARR & Tariff Petition for FY 2021-22. Accordingly, the Commission has provisionally computed the requirement of renewable energy based on quantum of energy at Discom Periphery and projected consumption from Hydro power Purchase for FY 2021-22 as per the data submitted by the Discoms. Therefore, UPPCL to deposit the amount equivalent to the product of RPO target in units for FY 2021-22 and corresponding rate @ Rs. 4.37/- per unit (i.e. APPC rate of State owned Discoms for FY 2020-21 as approved by the Commission in Tariff Order dated 10.11.2020 for FY 2020-21). Therefore, RPO requirement for FY 2021-22 and amount computed is as follows:

Table 9 : Details of RPO target for FY 2021-22 and its corresponding amount to deposit

S.No	Parameter	Quantum of Energy consumed at discom end*	Consumption from Hydro Power Purchase	Energy to be considered for RPO	Target	Target	Amount @ Rs. 4.37/ unit
		(in MU)	(in MU)	(in MU)	(%)	(in MU)	(in Rs. Crore)
1.	Solar RPO	114689.47	12853.401	101836.07	0.04	4073.44	1780.09
2.	Non Solar RPO	114689.47	12853.401	101836.07	0.06	6110.16	2670.14
3.	HPO	114689.47	12853.401	101836.07	0.03	3055.08	1335.07
4.	Total					13238.69	5785.31





10. In view of above, the Commission directs UPPCL to deposit Rs. 7244.65 Crores in the RPO fund/account [Rs.1459.34 Crores on account of backlog / shortfall till FY 2020-21 and Rs. 5785.31 Crore on account of RPO requirement for FY 2021-21]. Further, UPPCL to deposit INR 7244.65 crores in 10 equal instalments in each month of July 2021, September 2021, November 2021 and January 2021 respectively). The amount so deposited shall be used to procure respective RE including HPO power and payment for procurement of RE & HPO power shall be made through this RPO account/fund only. UPPCL shall submit the quarterly compliance reports in months of Oct.21 (for Q1 &Q2), Jan.22 (Q3) & April22 (Q4) for before the Commission. The total amount to be deposited in the RPO account is shown as below:-

Table 10: Commission approved amount on account of RPO Compliance to be deposited in RPO Account/Fund.

S.no	Parameter	Amount (in Rs. Crores)	Remarks
1.	Total amount to be deposited on account of RPO compliance till FY 2020-21	1459.34	Table -8
2.	Total amount to be deposited on account of RPO compliance for FY 2021-22	5785.31	Table- 9
3.	Total amount to be deposited on account of RPO compliance	7244.65	Table 8 (4)+ Table 9 (4)

11. Further, in view of compliance of order dated 30.12.2019 and 18.12.2020, the Commission decides to discharge Director (Finance) and not to initiate the proceedings under Section 142 of the Electricity Act, 2003 against him. He however, shall ensure compliance of this order only for meeting the financial obligations of cumulative renewable power obligations till 31 March 2022.

12. The matter may be listed in August 2021.

(Vinod Kumar Srivastava)  
Member (Law)

(Kaushal Kishore Sharma)  
Member

(Raj Pratap Singh)  
Chairman

Place: Lucknow

Dated: 16.06.2021





