

सं. 7/1/2012-EFM

दिनांक 27 August 2012

No. To,

Dated .....

- 1.All State Nodal Agencies for renewable energy
- 2.All State Electricity Departments
- 3.All State Electricity Regulatory Commissions

Subject: Solar Power Purchase Obligation to be met by distribution licensees.

Sir/Madam,

The Ministry of Power vide their OM no. 23/17/2009-R&P (Vol-II) dated 24 July 2012 has clarified that the solar purchase obligation as stipulated under the amendment to the Tariff Policy notified under section 3 of the Electricity Act 2003 and Resolution to this effect published in the Gazette of India, Extraordinary on 22 January 2011 does not put any restriction in fixation of solar purchase obligation more than the minimum prescribed limit by the Appropriate Commission. Clarification as received from the Ministry of Power is enclosed at Annexure.

2.0 It is also mentioned that in terms of the Section 86(1)(e) of the Electricity Act 2003 each State has fixed a minimum percentage of electricity that originate from renewable energy sources ( generally referred as renewable purchase obligation or RPO). The existing regulatory framework does not prohibit meeting RPOs from any renewable energy source. Accordingly, the State Electricity Regulatory Commissions may consider to allow Discoms to meet the short-fall in fulfilling of RPO by purchase of additional solar power. As such solar power projects may not be limited within the fixed solar RPOs, which is the minimum threshold.

Yours faithfully,

*Encl: as above.*

  
(P.C. Maithani)  
Director

Copy to:

1. Central Electricity Regulatory Commission ( Kind attention: Shri Rajiv Bansal, Secretary), 3 rd & 4 th Floor, Chanderlok Building, 36, Janpath, New Delhi-.110001
2. Ministry of Power( Kind attention: Shri Pranay Kumar, Director), Shram Shakti Bhavan, Rafi Marg, New Delhi – 1.
3. Shri Ashok Khurana, Director General, The Association of Power Producers,21 A, Ist Floor, Janpath, New Delhi-110001

No. 23/17/2009-R&R (Vol-II)  
Government of India  
Ministry of Power  
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Shram Shakti Bhawan, Rafi Marg,  
New Delhi, 24<sup>th</sup> July, 2012

OFFICE MEMORANDUM

Subject: Reference from MNRE for clarification on Renewable Purchase Obligation (RPO) to be met by distribution licensees.

The undersigned is directed to refer to MNRE note No. 7/1/2012-EFM dated 6<sup>th</sup> July, 2012 on the above subject.

2. As per the amended para 6.4 of the Tariff Policy issued on 20.1.2011 after due consultation with all the concerned stakeholders including M/o Finance, M/o Law & Justice and MNRE and approval of the Cabinet, "the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification in the Official Gazette which will go up to 0.25% by the end of 2012-13 and further up to 3% by 2022." In terms of this provision, it is clear that the minimum percentage to be fixed by SERC for purchase of solar energy by the end of March, 2013 will be 0.25% and the minimum percentage by the year 2022 will go upto 3% and there is no restriction in fixation of solar RPO more than the minimum prescribed limit by the Appropriate Commission. Further, based on information furnished by FoR Sectt, it is understood that in a number of States viz. Chhattisgarh, Gujarat, U.P, Haryana, Jharkhand, Madhya Pradesh, Meghalaya, Bihar and Goa solar RPO for 2012-13 has already been fixed more than the minimum prescribed limit of 0.25% .

  
(Pranay Kumar)  
Director  
Tel: 2371 5250

Ministry of New and Renewable Energy,  
(Shri P.C. Maithani, Director),  
Block No. 14, CGO Complex,  
Lodhi Road,  
New Delhi.