



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4thFloor, Singareni Bhavan, Red Hills, Hyderabad 500004

WEDNESDAY, THE FIFTEENTH DAY OF SEPTEMBER
TWO THOUSAND AND TWENTY ONE

:Present:

Justice C.V. Nagarjuna Reddy, Chairman
Sri Thakur Rama Singh, Member

O.P.No.45 of 2020

Between:

Steel Exchange India Limited,
Plot No.303, My Home Laxminivas Apts,
Green Lands, Ameerpet, Hyderabad-500016.

Represented by its Authorized Signatory

M.V.M.K. Varma Raju

Sponge Iron plant at

Malliveedu village, near Visakhapatnam,
Andhra Pradesh

.. Petitioner

And

A.P. State Load Despatch Centre (APSLDC),

Vidyut Soudha, Gunadala, Vijayawada,

Represented by its Chief Engineer/SLDC,

AP TRANSCO

.. Respondent

This Original Petition having come up for hearing on 15-09-2021 in the presence of Sri Challa Gunaranjan, learned Counsel for the petitioner and Sri P. Shiva Rao, learned Standing Counsel for the respondent, and upon hearing the arguments of both the Counsel, the Commission passed the following :

ORDER:

This Original Petition is filed for the following substantive relief :

“....to clarify and/or exempt the petitioner company from the Renewable Power Purchase Obligation (RPPO) and that the energy consumed from WHRS and from burning of dolochar in CFBC boiler through co-generation process is to be considered for setting off the petitioner's

RPO requirement qua its consumption from other conventional sources under the APERC Regulation No.1 of 2017 in view of the consumption of power from co-generation WHRS units through waste heat received from flue gases and from burning of dolochar arising as a waste byproduct in DRI Kilns through CFBC boiler....”

We have heard Sri Challa Gunaranjan, learned Counsel for the petitioner and Sri P. Shiva Rao, learned Standing Counsel for the respondent.

There is no dispute about the fact that the petitioner has been generating electricity through co-generation from three plants - two using Waste Heat Recovery System (WHRs) and another using Circulating Fluidized Bed Combustion Boiler (CFBC) system. The main plea of the respondent is that while there is no dispute regarding the two plants of co-generation using WHRS, as the units generated through CFBC process cannot be separated from WHRS units, the same does not qualify for exemption from RPPO.

In our opinion, the issue is no longer *res integra*. In **Ultra Tech Cement Ltd. Vs. A.SPDCL (O.P.No.11 of 2020)**, this Commission vide its detailed order dated 07-09-2020, inter alia, held as under :

“14. The position that emerges from the case law discussed above is that, Section 86(1)(e) of the Act is interpreted to the effect that irrespective of whether cogeneration sources are renewable sources or otherwise, under the statutory scheme, cogeneration sources shall be treated on par with renewable energy generation sources, that under the Act RPO cannot be fastened on energy generated through cogeneration sources merely because renewable sources are not utilized in cogeneration process and that irrespective of the fuel used (in Century Rayon, the APTEL has taken an extreme example of fossil fuel being used as a co-generation source), the co-generation captive plants are entitled to be exempted from compliance of RPPO.”

In the light of the above, the Commission is of the opinion that non-separation of units generated from CFBC plant has no relevance as admittedly it also forms part of co-generation which is entitled to exemption from RPPO.

The O.P. is accordingly allowed as prayed for.

Sd/-
Thakur Rama Singh
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman

