



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4thFloor, Singareni Bhavan, Red Hills, Hyderabad 500004

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**In the matter of Andhra Pradesh State Electricity Regulatory Commission
Renewable Power Purchase Obligation (Compliance by Purchase of
Renewable Energy/Renewable Energy Certificates) Regulation, 2022.**

STATEMENT OF REASONS

Introduction

Section 61(h) of the Electricity Act, 2003 specifies that the appropriate Commission shall promote co-generation and generation of electricity from renewable sources of energy. Section 86(1)(e) of the Electricity Act, 2003 specifies that the State 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 the total consumption of electricity in the area of a distribution licensee. As per Section 181 of the Electricity Act, 2003 the Commission, by notification, may make regulations consistent with this Act and the rules generally to carry out the provisions of this Act. Accordingly, the Commission prepared a draft of the '**Andhra Pradesh State Electricity Regulatory Commission Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates) Regulation, 2022**' which, among other things, mandates the obligated entities, namely, every distribution licensee, open access consumer and captive consumer having a captive power plant of above one MW capacity connected to the grid, to meet certain minimum percentages of their electricity consumption from renewable energy sources. The Commission hosted the draft on its website on 17.03.2022 inviting views/objections/suggestions from the stakeholders. In response, eight stakeholders submitted their views/ suggestions/ objections to the Commission. The list of

stakeholders is enclosed as Annexure. Before finalising this Regulation, the Commission considered the views/objections/suggestions of the above stakeholders, the Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation Regulations, 2022 issued by CERC on 09.05.2022 and the MOP notification dated 22.07.2022 on the Renewable Purchase Obligation and Energy Storage Obligation trajectories for FY 2022-23 to FY 2029-30 and FY 2023-24 to FY 2029-30 respectively. The Commission's analysis and decisions are described in the following paragraphs.

2. Stakeholders' views/objections/suggestions

A) Merging Non-Solar and Solar RPPOs

Prayas suggested a single type of RPPO which will be beneficial for Distribution companies in planning renewable power procurement.

SWAPNAM suggested a single type of RPPO as CERC proposed a single type Renewable Energy Certificate (REC) in its draft REC Regulations issued on 15.02.2022.

APDISCOMs requested a single type of RPPO as CERC stipulated that there will be no separate classification of "solar" and "non-solar" RECs and introduced certificate multipliers.

Sri M. Venugopala Rao proposed merging of solar and non-solar RPPOs.

Commission's analysis and decision

There is a rationale in the suggestion of the above stakeholders as separate solar RPPO was introduced to encourage solar generation at the time when solar energy prices were high which is no longer the case as the prices of solar energy discovered now are below that of not only other renewable energy but also conventional energy. By merging solar and non-solar RPPOs, the obligated entities would have the flexibility to meet their RPPOs from one or more types of renewable energy sources depending on their availability and prices. Moreover, the Electricity Act, 2003 does not differentiate between the different sources of renewable energy and its spirit is to encourage renewable energy to save the environment irrespective of the nature of the source. Further, the Forum of Regulators (FOR) in its 74th meeting agreed that a separate solar RPPO is not relevant at present given the decline in the prices of solar power. As the Central Electricity Regulatory Commission (Terms and

Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 also specify a single type of REC, specifying separate RPPO targets for solar and non-solar energy would create problems for the obligated entities while purchasing/obtaining RECs to meet their RPPO. Therefore, the draft Regulation is modified to provide for a single type of RPPO. With the implementation of a single type of RPPO, the clauses/provisos in the draft Regulation related to solar and non-solar RPPO/RECs have been suitably amended/deleted.

B) Inclusion of captive consumption from cogeneration plants in the definition of 'Renewable Energy Sources'.

IEX suggested the inclusion of captive consumption from cogeneration plants in the definition of 'Renewable Energy Sources'

Commission's analysis and decision

Para 1 of Clause 3.3 of the draft Regulation specifies that every consumer owning a captive generating plant of installed capacity of One (1) MW and above and Connected to the Grid, shall purchase from Renewable Energy sources minimum quantum of electricity expressed as a percentage of his total electricity consumption. As could be seen, this clause does not explicitly provide for fulfilling of the RPPO by a Captive Consumer from his own Renewable Energy Sources. Therefore, para 1 of clause 3.3 of the draft Regulations is modified to provide for the meeting of the RPPO by a captive consumer from his own Renewable Energy Sources.

C) Renewable Energy Purchases from Power Exchanges

Prayas and **IEX** suggested inclusion of Renewable Energy (RE) purchases from the Power Exchanges through Green-DAM and Green-TAM markets as additional avenues for the fulfilment of RPPO by the obligated entities.

Commission's analysis and decision

The suggestion deserves to be accepted as RE/Green Energy can now be purchased through Power Exchanges. Therefore, provisos are added at appropriate places in the final Regulation to provide for the fulfilment of RPPO by the obligated entities by the purchase of RE/Green Energy from the Power Exchanges.

D) Difficulty in assessing the requirement of RECs during the last quarter of a Financial Year

SWAPNAM stated that the obligated entities may not be in a position to exactly assess the requirement of RECs for the year since the total energy consumed would be known only after the completion of the year. Therefore, it suggested that the obligated entities may be allowed to fulfil the RPPO of the last three months of the financial year during the first quarter of the succeeding financial year or alternatively, the surplus RECs procured by the obligated entities in the last month of the year in anticipation of higher energy consumption, may be allowed to be utilised in the succeeding year.

Commission's analysis and decision

The practical difficulties faced by the obligated entities in meeting the RPPO as brought forward by the objector appear to be genuine. Therefore, provisos are added at appropriate places in the final Regulation to provide for the fulfilment of RPPO by the obligated entities for the last quarter of a financial year during the first quarter of the succeeding financial year.

E) Timelines for data submission by the obligated entities to the State Agency and by the State Agency to the Commission

Prayas suggested providing timelines for data submission by the obligated entities to the State Agency and by the State Agency to the Commission.

Analysis and Decision

Clause 5.3 of the draft Regulation already provides for the submission of quarterly reports by the State Agency to the Commission on RPPO compliance by the obligated entities. As regards the suggestion for providing timelines for submission of data by the obligated entities to the State Agency, the Commission accepts the same. Accordingly, a separate clause (5.2) is inserted in the final Regulation mandating the obligated entities to submit the details of RPPO for every month by the end of the succeeding month and for the entire financial year by the end of July of the succeeding financial year to the State Agency. Further, keeping in view mandatory requirement in the latest CERC (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022 that the application for issuance of RECs shall be made by an eligible entity being a distribution licensee or an open access consumer within three months from the end of a financial year, along with a copy of certification from the concerned State

Commission about purchase of electricity from renewable energy sources in excess of RPPO as determined by the concerned State Commission, separate provisos are inserted at the appropriate places in the final Regulation to mandate the State Agency to submit the details of the surplus renewable energy purchased by the distribution licensees and open access users in a particular financial year that is over and above their RPPO, to the Commission within one month from the end of that financial year.

F) Inclusion of small and large Hydel Projects including pumped storage projects in the definition of ‘Renewable Energy Sources’

Greenko suggested the inclusion of small and large Hydel Projects including pumped storage projects in the definition of ‘Renewable Energy Sources’.

SWAPNAM suggested the inclusion of large Hydro Projects in the definition of ‘Renewable Energy Sources’.

Commission’s analysis and decision

The Commission finds rationale in the suggestion of the objectors as electricity from Hydel projects irrespective of their size is renewable in nature. Further, the latest CERC (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022 consider Hydro projects irrespective of capacity as Renewable Source of energy. Therefore, the definition of ‘Renewable Energy Sources’ in the draft RPPO Regulation is modified to include all Hydel projects irrespective of their size. As regards the suggestion to include pumped storage projects in the definition of ‘Renewable Energy Sources’, the Commission is inclined to accept the suggestion provided the pumped storage hydro projects utilise renewable energy for reverse pumping of water.

G) Exclusion of energy consumption from Renewable Energy Sources and large Hydel Projects in the computation of RPPO

Prayas, IEX, Center For Energy Regulation (CER), Greenko, SWAPNAM and APDISCOMs suggested not to exclude the consumption from ‘Renewable Energy sources’ in the computation of RPPO as the same is not in line with the MOP orders dated 14.06.2018, 29.01.2021 and Section 86(1)(e) of the Electricity Act, 2003.

Commission’s analysis and decision

Section 86(1)(e) of the Electricity Act, 2003 mandates the State Commissions to

specify purchase of electricity from renewable sources including co-generation based sources, a percentage of the total consumption of electricity in the area of a distribution licensee. It can be seen from the above section that the Act does not provide for exclusion of any source of renewable energy including from large hydel projects for the purpose of computing the above percentage. Therefore, the draft Regulation is modified at appropriate places to be in line with the above section.

H) Specifying a separate Hydro Power Obligation (HPO)

Greenko and **IEX** suggested incorporating separate Hydro Power Obligation (HPO) targets in line with the MOP order dated 29.01.2021 on RPO trajectories.

Analysis and Decision

Subsequent to the MoP order dated 29.01.2021, MOP issued another order dated 22.07.2022 specifying RPPO trajectory for the period from FY 2022-23 to FY 2029-30 including specification of separate RPPOs from large Hydro Power Projects (commissioned after 08.03.2019), Wind Power Projects (Commissioned after 31.03.2022) and Energy Storage Systems. However, no Large Hydro Power Projects have been commissioned in the State of AP after 08.03.2019 as of now. Therefore, specifying separate RPPOs for large Hydro Power Projects, Wind Power Projects and Energy Storage Systems will unnecessarily burden the DISCOMs who are already saddled with the expensive RE purchases. Further, as already stated supra, the Electricity Act, 2003 does not differentiate between the different sources of renewable energy and its spirit is to encourage renewable energy to save the environment irrespective of the nature of the renewable energy source. Therefore, the Commission is not inclined to accept the suggestion of the objectors.

I) Increase of RPPO percentages in Table-I of the draft Regulation

Prayas suggested that the commission should reconsider the RPPO trajectory and should come out with much higher targets for the obligated entities.

SWAPNAM also suggested a further increase in RPPO percentages over and above that specified in the draft Regulation since the national policies proposed by the Union of India suggest at least 30% of RE by 2030 and that the only the entity(ies) who procures/procure excess RE over and above the higher of percentages specified by National Tariff Policy or NAPCC or Appropriate commission, is eligible for RECs.

Greenko suggested a further increase in the RPPO percentages for the control period taking the MOP's trajectory for FY 22 as the base.

Commission's analysis and decision

In the draft Regulation the Commission has proposed RPPO of 18%, 19%, 20%, 21% and 22% for the FY 2022-23 to 2026-27 respectively. However, as noted above, majority of the objectors such as PRAYAS, SWAPNAM and Greenko suggested a much higher increase in the RPPO. Undoubtedly in order to save the environment, generation of Renewable Energy needs to be encouraged. In fact, India has committed itself to achieving 500GW green energy by the end of 2030 and at present the total Renewable Energy capacity stands at 114GW at the end of June 2022 as against the target of 175GW by the end of December, 2022. Keeping this in view, the Ministry of Power, Government of India in its order dated 22.07.2022 has prescribed the following trajectory for the period from FY 2022-23 to 2029-30.

YEAR	WIND RPO	HPO	OTHER RPO	TOTAL RPO
2022-23	0.81%	0.35%	23.44%	24.60%
2023-24	1.60%	0.66%	24.81%	27.07%
2024-25	2.46%	1.08%	26.37%	29.91%
2025-26	3.36%	1.48%	28.17%	33.01%
2026-27	4.29%	1.80%	29.86%	35.95%
2027-28	5.23%	2.15%	31.43%	38.81%
2028-29	6.16%	2.51%	32.69%	41.36%
2029-30	6.94%	2.82%	33.57%	43.33%

While there is every need to protect the environment and to encourage Renewable Energy Sources, responsibility is on the Commission to thread a balanced approach so as to avoid an undue burden on the end consumer. Though the present low prices

of RE may look attractive enough to justify higher RPPO targets, the bigger problem is how to integrate the significant quantum of RE into the grid to match the demand and operate the grid safely and securely. APSLDC/DISCOMs have already been facing huge challenges in integrating the intermittent RE into the grid. Further, from the financial point of view also, the lower RE prices may not be attractive in the backdrop of the necessity to enter into PPAs with the base thermal stations to address the intermittency of the RE and payment of full fixed charges to the base stations despite lower energy despatches from them. Moreover, with the projected increase in energy sales by the DISCOMs over the coming years, the RPPO percentages proposed by the Commission in the draft Regulation translate into higher procurement of renewable energy in absolute terms in future. Therefore, the Commission is not inclined to substantially increase the RPPO percentages except for a nominal increase of 1% and 2% over and above the percentages specified in the draft Regulation for FY 2025-26 and FY 2026-27 respectively.

J) A separate definition for ‘Hybrid Energy Sources’

Greenko suggested inclusion of the definition of ‘Hybrid Energy Sources’ as follows: “Hybrid Energy Sources” means two or more Renewable Energy Sources used together or any single Renewable Energy Source coupled with any Storage Technology (Battery, Pumped Storage etc.) to provide increased system efficiency as well as greater balance in energy supply.

Analysis and Decision

The Commission finds rationale in the suggestion of Greenko and inserts the above definition in the final Regulation with the modification that Battery and Pumped Storage should utilise renewable energy for storage of energy.

K) Exempting Power Wheeling and Purchase Agreements (PWPA) from RPPO

Greenko suggested deletion of the 7th proviso under clause 3.2 of the draft RPPO Regulation, i.e., the power procured by the Open Access Users from 3rd party generators under PWPA is exempted from RPPO, as the exemption is not justified.

Commission’s analysis and decision

The Commission concurs with the view of the objector as it finds no reason to exempt the energy wheeled through PWPA from the RPPO when the Commission mandates the other open access users to fulfil the RPPO. Further, neither the

Electricity Act, 2003 nor the 'Removal of Difficulty Orders' issued by the MOP provide such exemptions. Therefore, this proviso is deleted in the final Regulation.

L) Greenko suggested insertion of the following proviso under clauses 3.1, 3.2 and 3.3 of the final Regulation:

Provided further that in case of power procured from Hybrid Sources the renewable energy generated to be considered for Solar RPO, Non-Solar RPO and HPO shall be based on the relative proportion of energy contributed by each source, calculated based on the ratio of declared capacities of each source in the Power Purchase (Sale) Agreement.

Commission's analysis and decision

Since the final Regulation has a single type of RPPO, the insertion of proviso suggested by Greenko is not necessary.

M) Proportion of electricity generated from Waste to Energy (WTE) to be purchased by the DISCOMs (proviso 8 under clause 3.1 of the draft Regulation)

CER sought clarification on the following issues;

In the case of multiple Distribution Licence areas within a state, what proportion of electricity generated from Waste to Energy (WTE) plants needs to be procured by the respective distribution licensee. Will each of the DISCOMs be liable to ensure 'proportional' procurement ensuring 100% procurement from WTE plants within the state? Will the DISCOM, in whose area the WTE is located, be required to procure 100% electricity generated from WTE sources?

Commission's analysis and decision

GoAP, vide G.O.Rt.No.116 dated 01.10.2019, cancelled the sharing of RE procured from the RE projects among the DISCOMs and as a result, each DISCOM has been purchasing 100% of RE from the RE projects geographically located in its area of supply. Therefore, the Commission finds it appropriate to modify proviso 8 under clause 3.1 of the draft Regulation to the effect that every Distribution Licensee in the State of Andhra Pradesh shall compulsorily procure 100% power produced from all the Waste-to-Energy plants geographically located in its area of supply at the tariff determined by the Commission under Section 62 of the Act.

N) RPPO is to be primarily met from RECs with RE procurement being accorded secondary status

CER stated that the first proviso under clause 3.3 suggests that RPPO is to be primarily met from RECs with RE procurement being accorded secondary status.

Commission's analysis and decision

From the first para under clause 3.3 read with the first proviso of clause 3.3, it is clear that RPPO by the captive users can be met either from RECs or by RE procurement. However, in order to have uniformity with the other obligated entities and avoid multiple interpretations, the first para and the first proviso under clause 3.3 are modified appropriately to specify procurement of RE first followed by procurement of RECs.

O) Accounting of Excess RE with Roof-top Solar PV System by OA Consumer/Captive Generators

CER stated that excess RE procurement by OA consumer/captive generators can be traded as RECs, or can be banked (if permitted) to adjust RPO compliance in later years. That the OA consumer/captive generators should first be allowed to derive the benefit of such excess RPO (in REC equivalent terms), and thereafter, with their consent, any remaining excess RE can be allowed to be accounted towards Distribution Licensee's RPO.

Commission's analysis and decision

The Distribution Licensees have to bear the brunt arising out of absorbing the variations in the energy generated from the Roof-top solar systems. Therefore, it is not appropriate to s/provide banking facilities to the OA/captive consumers who utilise energy from Roof-top solar systems.

P) Separate public proceedings for the RPPO compliance process

Prayas suggested inclusion of a provision in the Regulation to conduct a separate public proceeding for the RPPO compliance process for the obligated entities (separately for DISCOMs and other obligated entities).

Commission's analysis and decision

Monitoring and ensuring compliance with RPPO by the obligated entities is purely an administrative/routine process. Therefore, there is no necessity for public involvement in the process which will waste the resources of both the public and the Commission and therefore the Commission rejects the suggestion.

Q) Incentive/levy of penalty on the DISCOMs for surpassing/failure to achieve

RPPO targets

Prayas suggested inclusion of appropriate provisions in the Regulation for the award of incentive/levy of penalty to/on the DISCOMs for surpassing/failure to achieve RPPO targets on similar lines to that provided by MERC in its RPPO Regulation, 2019.

Greenko suggested that the State Agency should collect the amounts for the shortfall in RPPO units of the obligated entities at the maximum REC rate traded during the corresponding year including taxes and levies.

Commission's analysis and decision

Clause 7.1 of the draft Regulation provides for depositing such amounts into a separate fund created and maintained by the State Agency on the basis of the shortfall in units of the RPPO and the maximum price traded through the power exchanges during the corresponding year including taxes and levies, besides barring the defaulting entity(s) the permission from availing Power through Open Access. Further, as per clause 7.2 of the draft Regulation, the defaulting entity shall be liable for penalty as may be decided by the Commission under section 142 of the Electricity Act, 2003. The above provisions are enough to deter the obligated entities to default and there is no necessity for additional penalties as suggested by the objector. As regards the incentive, this will unnecessarily add to the ARR of the DISCOMs and will impose an additional burden on the consumers. Therefore, the Commission rejects the suggestions of the objectors.

R) Doing away with the Pooled Cost of Power Purchase (clause 6.2 of the draft Regulation)

Prayas suggested doing away with the Pooled Cost of Power Purchase considering that it is much higher than the tariff discovered for solar and wind projects in recent times which are in the range of Rs. 2.25-2.75 per unit.

Commission's analysis and decision

The Commission is determining the Pooled Cost of Power Purchase for the projects that have already entered into PPAs with the DISCOMs to sell power at the Pooled Cost of Power Purchase under the REC mechanism. Neither the Commission is forcing the DISCOMs to enter into fresh PPAs with the projects nor the DISCOMs are approaching the Commission for consent to the fresh PPAs entered into by them

to buy power from the projects at the Pooled Cost of Power Purchase under the REC mechanism. Therefore, the clause is retained, as it is, in the final Regulation.

S) Fixing of energy storage targets

Prayas suggested fixing energy storage targets since this will be critical to reliably integrating a large share of renewables in the energy mix.

Commission's analysis and decision

Grid-Scale energy storage technology is still in its nascent stage and costly and will take time to mature. Therefore, it is too early to specify a Storage Purchase Obligation.

T) Installation of separate meters for roof-top solar plants (Para 4 of clause 3.1 of draft Regulation)

SWAPNAM suggested that the installation of separate meters for roof-top solar plants may be dispensed with to save money and the DISCOMs may be allowed to take the readings of the inverter(s) installed by the consumers as these inverters are equipped with meters of less than 0.5 accuracy which meet the requirements of CEA Metering Regulations.

Commission's analysis and decision

In order to avoid the extra expenditure, the Distribution Licensee will not be required to install separate meters if the existing meters at the appropriate locations in the roof-top solar plants meet the requirements specified in the CEA Metering Regulations. Accordingly, a separate proviso to this effect is added after para 4 of clause 3.1 of draft Regulation.

U) Sri M. Venugopala Rao suggested/raised the following

i) Basis on which the RPPO percentages were specified in the draft Regulation is not known.

Commission's analysis and decision

The RPPO targets have been fixed based on the approved load forecasts and resource plans for the 4th Control Period, the indicative forecasts and plans for the 5th control period, the Long-Term Electricity Demand Forecasting done by CEA for the State of AP for the period from FY 2024-25 to FY 2029-30 and the latest CERC (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022

ii) The system of RPPO has become outdated with the reduction in the prices of RE

Commission's analysis and decision

Even though the prices of RE have come down, the obligated entities may not have enough incentive to move towards the RE due to its intermittent nature. The main motto behind the compulsory procurement of a certain percentage of RE is to save the environment by avoiding usage of fossil fuels which cause pollution, global warming, adversely affect the health of the people, cause irreparable and incalculable damage which in turn threaten the very existence of the human race itself. Therefore, the system of RPPO is not outdated as contented by the objector.

iii) The Commission has not proposed to hold any public hearing on the draft Regulation. A public hearing should be conducted on the draft Regulation to ensure transparency, accountability and public participation.

Commission's analysis and decision

The Commission has placed the draft Regulation on its website inviting views/objections/suggestions from all the stakeholders which include the general public also. Placing the draft Regulation on the Commission's website is enough to meet the requirements of transparency, accountability and public participation. Further, as per the Electricity (Procedure for Previous Publication) Rules, 2005 notified by the GoI, it is not mandatory to conduct public hearings while making Regulations by the Commission. As per the above Rules, the Commission, before finalising a Regulation, shall publish the draft Regulation in such manner as it deems to be sufficient along with a notice specifying a date on or after which the draft will be taken into consideration and that the Commission shall consider any objection or suggestion which may be received by it from any person with respect to the draft before the date so specified. Moreover, as per the APERC Conduct of Business Regulations, 1999 as amended from time to time, any notice or process to be issued by the Commission may be served by various modes including by publication on its website. The Commission has complied with the above requirements.

iv) DISCOMs do not figure among those who are permitted to make an application to the Commission for revision of the percentage RPPO targets.

Commission's analysis and decision

The last para under clause 3.1 of draft Regulation provides for a Distribution Licensee to make an application for revision of RPPO percentages specified in the draft Regulation.

v) The Commission has not taken into account the impact of 17,000 MU of solar energy the DISCOMs are permitted to purchase through SECI from FY 2024-25 onwards.

Commission's analysis and decision

While proposing the RPPO percentages in the draft Regulations, the Commission factored in the procurement of 17,000 MU of solar energy by the DISCOMs and also the approved load forecasts and resource plans for the 4th Control Period, the indicative forecasts and plans for the 5th control period and the Long-Term Electricity Demand Forecasting done by CEA for the State of AP for the period from FY 2024-25 to FY 2029-30.

vi) RE purchases in the computation of 'Pooled Cost of Power Purchase' should not be excluded (clause 6.2.1. of the draft Regulation)

Sri M. Venugopala Rao stated/suggested that with the falling in the prices of the wind and solar power, excluding the RE purchases for computing the 'Pooled Cost of Power Purchase' is outdated and irrational.

Commission's analysis and decision

The weighted average cost of RE purchased by the DISCOMs is still higher than the weighted average cost of energy purchased from conventional sources excluding liquid fuel generation.

V) Sri P. Manohar objected to the mention of RESCOs in the draft Regulation as the stand of the Commission is to merge the distribution business of the RESCOs with DISCOMs (proviso 11 under clause 3.1 of the draft Regulation).

Commission's analysis and decision

GoAP recommended to the Commission to exempt the RESCOs from obtaining licences (Kuppam RESCO for FY 2022-23 and FY 2023-24, Ankapalle and Cheepurupalli RESCOs for FY 2022-23). Based on the recommendation, the RESCOs filed applications requesting exemptions from obtaining the licences. The matter is under adjudication. The Commission will decide in due course whether to grant the exemption or not after taking a holistic view. As per the proviso on

RESCOs in the draft Regulation, the consumption of a RESCO shall be taken into account for calculating the consumption of a Distribution Licensee, so long as the RESCOs continue to exist.

3) Further to the above modifications and insertion of new clauses/provisions, the Commission added a new definition for 'Month', modified the definitions of 'Certificates' and 'Power Exchange' to be in line with the definitions specified in the latest CERC Regulations and made minor modifications to some paras of the draft Regulation (without changing their meaning) to bring in more clarity. Further, keeping in view that energy accounts of the DISCOMs for a FY do not get finalised by 30th April of the succeeding FY, the deadline mentioned in clause 6.2 of the draft Regulation for submission of the petition by a Distribution Licensee for computation of Pooled Cost of Power Purchase is changed from 30th April to 30th September. Moreover, as the provision related to the purchase of banked energy by the DISCOMs in Regulation 2 of 2006 was repealed vide 4th amendment dated 06.03.2019, the third provisos under clause 3.1 of the draft Regulation is appropriately modified.

Sd/-
Thakur Rama Singh
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman

Sd/-
P. Rajagopal Reddy
Member

Annexure

Sl.No.	Name of the Objector
1	M/s.SWAPNAM
2	M/s.Greenko
3	Centre for Energy Regulation (CER)
4	Indian Energy Exchange (IEX)
5	PRAYAS
6	APDISCOMs
7	Sri. M.Venugopala Rao
8	Sri.P.Manohar