

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION, BENGALURU

No Y/02/16/Vol-II

Dated : 18.12. 2018

Present: Shri M.K. Shankaralinge Gowda .. Chairman

Shri H.D. Arun Kumar .. Member

In the matter of RPO Compliance for FY16 by Bagalkot Cement and Industries Ltd, Bagalkot

ORDERS

Preamble:

Whereas, the Commission on 17.10.2017 had issued notice to **Bagalkot Cement and Industries Ltd, Bagalkot** (hereinafter referred to as the 'Company') to show cause as to why action under Section 142 of the Electricity Act, 2003, should not be initiated against the Company for failure to comply with the KERC (Procurement of Energy from Renewable Sources), Regulations, 2011, by not meeting the RPO to an extent of 353.36 MWh (110% shortage) for the FY 16.

Whereas, in its reply dated 27.10.2017, the Company submitted the documents towards purchase of 600 Nos of RECs in February, 2017 and 1484940 units of green energy during March,2017 and stated that solar RECs would be purchased in November,2017. However, the RECs purchased in February,2017 and the energy purchased in March,2017, could not be considered for meeting RPO of FY16, as per the prevailing Regulations. Hence, the Commission issued one more notice to the Company on 16.01.2018, to explain the reasons for not complying with the RPO for FY16 and directed the Company to appear before the Commission on 01.02.2018.

Whereas, on 01.02.2018, Sri Shridhar Prabhu, Advocate took notice on behalf of the Company and requested for time up to 15.03.2018 for filing reply. On 15.03.2018, the counsel filed the Vakalath and sought time upto 12.04.2018. On subsequent hearings held on 12.04.2018, 05.06.2018, 21.06.2018, 03.07.2018, 31.07.2018 and 04.09.2018, the Counsel sought further extensions of time to file the compliance report, which was



granted by the Commission. On 04.09.2018, the Commission had directed the Company to appear on 25.09.2018. But, on 25.09.2018, the Counsel sought leave to withdraw from the above case. Hence, the Commission issued a fresh notice on 09.10.2018, directing the Managing Director or his/her nominee to appear before the Commission on 11.10.2018 and explain the reasons for not complying with the RPO for FY16.

On 11.10.2018, Sri SridharPrabhu, Advocate, informed that he had no instructions from the Company and therefore, Commission decided to grant the Company time upto 20.11.2018 to respond to the notice. As such one more notice was issued on 15.11.2018 to the Company to appear before the Commission on 20.11.2018.

On 20.11.2018, none appeared for the Company and the Commission noted that a report is received from the Company.

The Company on 12.07.2018, has submitted a letter furnishing the RPO Compliance to 2016-17 and 2017-18, which is not relevant for the present case.

On verification of various documents submitted by the Company, the Commission notes that the Company had to meet the RPO to an extent of 1074.24MWh and had met RPO to an extent of only 753 MWh by purchase of RECs within the stipulated time. Whereas, to meet the balance RPO of 353.36 MWh(110% of shortage), the Company has purchased 600 Non-solar RECs on 22.02.2017 bearing No. IEX-0001260 and renewable energy of 1484.94 MWh in March,2017, as per HESCOM OM dated 01.04.2017. Eventhough, the Company had to comply RPO within June, 2016, the Company has shown intent to meet the RPO by purchasing 600 RECs in February,2017 itself, as against November,2017 indicated earlier, which is more than the shortfall of 353.36 MWh.

Hence, the following orders, -

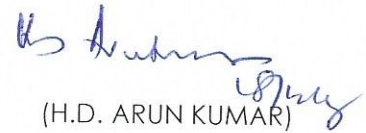
ORDER

The Commission notes that the Company had to meet the RPO to an extent of 1074.24MWh and had met RPO to an extent of only 753 MWh by purchasing RECs within the stipulated time. Whereas, to meet the balance RPO of 353.36MWh(110% of shortage), the Company has purchased 600 Non-solar RECs on 22.02.2017 bearing No. IEX-0001260 and renewable energy of

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1484.94 MWh in March,2017, as per the HESCOM's OM dated 01.04.2017. Eventhough, the Company had to comply RPO within June, 2016, the Company has shown intent to meet the RPO by purchasing 600 RECs in February,2017 itself, as against November,2017 indicated earlier, which is more than the shortfall of 353.36 MWh. Hence, the Commission decides to condone the delay in purchase of RECs to an extent of 353.36 MWh and directs the Company to comply with RPO within the time specified in the Regulations, in future. **Therefore, the Company having fully met its RPO for FY16, the Commission hereby treats the proceedings initiated against the Company as closed.**


(M.K. SHANKARALINGE GOWDA)
CHAIRMAN


(H.D. ARUN KUMAR)
MEMBER