

ಕಾರ್ಯನೀರಾಹಕ ಅಭಿಯಂತರರು(ವಿ), ಬೃಹತ್ ಕಾಮಗಾರಿ ವಿಭಾಗ, ಕ.ವಿ.ಪ್ರ.ನೀ.ನಿ. ಬಜ್ಞಾರಿ ಇವರಿಗೆ ಈ ವ್ಯಕ್ತಿಗೆ ವ್ಯಕ್ತಿಗಾದ ದಿನಾಂಕದಿಂದ ೩೦ ದಿನಗಳ ಒಳಗೆ ತಲುಪುವಂತೆ ಕಳುಹಿಸಿಕೊಡಬೇಕು.

ಸೆಹಿ/- ಕಾರ್ಯನೀರಾಹಕ ಅಭಿಯಂತರರು(ವಿ),

ಬೃಹತ್ ಕಾಮಗಾರಿ ವಿಭಾಗ, ಕ.ವಿ.ಪ್ರ.ನೀ.ನಿ, ಬಜ್ಞಾರಿ.

PD-161

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. 16 C-1, Miller Tank Bed Area, Vasanthanagara, Bengaluru – 560 052

Notification No. KERC/DD(TRN)/Y/02/22/1849, dated 25.11.2022

KERC (Procurement of Energy from Renewable Sources) (Ninth Amendment) Regulations, 2022.

Preamble

1. In exercise of the powers conferred under clause (e) of sub-section (1) of Section 86 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all the other powers enabling it in this behalf, the Commission has notified the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources), Regulations, 2011, as amended from time to time.
2. Meanwhile, the Government of India has notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, CERC has notified the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 and the Karnataka Government has issued the "Karnataka Renewable Energy Policy 2022-2027". In view of the above notifications, certain amendments to the extant Regulations were necessary.
3. Under the above circumstances and as required under sub-section (3) of Section 181 of the Act, the Commission, had notified the draft Regulations, proposing certain amendments, to modify the extant Regulations, inviting from the stakeholders and interested persons, objections / suggestions / views on the proposed draft, within twenty-one days from the date of publication in the Karnataka Gazette. The Commission also held a public hearing in the matter on 03.11.2022, duly notifying the same in Deccan Herald, The Hindu, Vijayavani and Udayavani Newspapers on 18.10.2022.
4. After considering the objections / suggestions / views of the stakeholders and interested persons and exercising the powers conferred under clause (e) of sub-section (1) of Section 86 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all the other powers enabling it in this behalf, the Commission makes the following Regulations: -

Regulations

1. Short Title, Application and Commencement, -

- (i) These Regulations shall be called the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (Ninth Amendment) Regulations, 2022.
- (ii) These Regulations shall extend to the whole of the State of Karnataka.
- (iii) These Regulations shall come into force from 01.04.2022 except for Amendment to Regulation 3, which shall come into effect from 01.04.2023. The extant Regulations 3 shall continue till 31.03.2023.

In the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources), 2011, as amended from time to time, Regulations at column (1) of the Table below, shall be modified / substituted / inserted, as the case may be, as indicated in column (2), namely, -

Regulation No.	Column (1)	Column (2)
Exiant Regulations	As Amended	
-	-	2 (aa) 'Accreditation' means accreditation of eligible entities under these Regulations by the State Agency for grant of certificates.
2 (b)	"Central Agency" means the agency as the Central Commission may designate from time to time under CERC (Terms and Conditions for Recognition & Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010;	"Central Agency" for the purpose of REC mechanism, means the agency as specified in Regulation (3) of the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022;
-	-	New Definition: 2(ca)- 'Certificate' means the renewable energy certificate issued by Central Agency in accordance with

		CERC (Terms & Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.
		New Definition: 2(cb)- 'Certificate Multiplier' means the multiplier as specified by CERC in CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.
-	-	New Definition: 2(ea)- 'Eligible Entity' means an entity eligible for obtaining Accreditation from 'State Agency'.
-	-	New Definition: 2(ga)- 'Obligated Entity' means the entities mandated under clause (e) of sub-section (1) of Section 86 of the Act to fulfil Renewable Purchase Obligation, which includes distribution licensee, captive user, and open access consumer.
-	-	New Definition: 2(gb)- 'Power Exchange' means a power exchange as defined under CERC (Power Market) Regulations, 2021.
2 (i)	"Renewable sources of energy" means non-conventional, renewable electricity	"Renewable Sources of Energy" means such sources that produce / generate electrical energy from

	generating sources such as mini-hydel, micro-hydel, wind, solar, biomass (including bagasse based co-generation), urban/municipal waste, or such other sources as approved by the MNRE, Government of India, or Government of Karnataka;	renewable sources of energy including, but not limited to Solar PV Power Project or Wind Power Project or Hybrid Power Projects or Small Hydro Power Project or biomass, biofuel, urban or municipal waste, pumped storage hydro generation, Energy Storage Systems using entire electricity generated from renewable energy for charging or any other technology as may be notified by the Government of India from time to time and shall also include any mechanism that utilizes green energy to replace fossil fuels including production of green hydrogen or green ammonia;
2 (I)	"State Agency" means the agency as designated by the Commission to give accreditation to the projects based on renewable sources of energy or the Distribution Licensee, as the case maybe, and to undertake such functions as may be specified or directed by the Commission;	"State Agency" means the agency as designated by the Commission to monitor and report to the Commission, the RPO compliance of obligated entities and to give accreditation to the eligible entities and to undertake such functions as may be specified or directed by the Commission for complying with the provisions of these Regulations;

<p>3. These Regulations shall apply to:</p> <ul style="list-style-type: none"> (i) Distribution Licensees operating in the State of Karnataka; (ii) Any captive consumer consuming electricity generated from grid connected captive generating plant(s), including co-generation plant(s) and having a total installed capacity exceeding 5 MW within the State of Karnataka, and using fuel sources other than renewable sources; and (iii) (a) Any person having a Contract Demand exceeding 5 MW with the Distribution Licensee and procuring electricity exceeding one MW through open access from generating plant(s) including co-generation plant(s) generating electricity using fuel sources other than renewable sources of energy or procuring electricity exceeding one MW through Power Exchange; 	<p>The RPO specified in these Regulations shall apply to:</p> <ul style="list-style-type: none"> (i) Distribution Licensee/(s) operating in the State of Karnataka; (ii) Any captive consumer consuming electricity generated from grid connected captive generating plant(s), including co-generation plant(s) and having a total installed generating capacity of 1-MW and above in a premises, within the State of Karnataka, and using fuel sources other than renewable sources; and (iii) a) Any person having a Contract Demand of 1-MW and above, with the Distribution Licensee and procuring electricity exceeding one MW through open access from: <ul style="list-style-type: none"> i. Generating plant(s) including co-generation plant(s), generating electricity using fuel sources other than renewable sources of energy; ii. Procuring electricity other than renewable energy, exceeding one MW from distribution licensee/(s) other than the area distribution licensee;
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	<p>Explanation: The power sourced from Exchange which is pooled, such power is treated as non- RE source.</p> <p>b) Any person not having any contract for power supply with the Distribution Licensee and procuring electricity exceeding one MW through open access from generating plant(s) including co-generation plants(s) generating electricity using fuel sources other than renewable sources of energy or procuring electricity exceeding one MW through Power Exchange;</p>	<p>iii. Procuring electricity other than renewable energy, exceeding one MW through Power Exchange or through electricity traders;</p> <p>(b) Any person not having any contract for power supply with the Area Distribution Licensee and procuring electricity exceeding one MW through open access from:</p> <ul style="list-style-type: none"> i. Generating plant(s) including co-generation plants(s) generating electricity using fuel sources other than renewable sources of energy; ii. Procuring electricity other than renewable energy, exceeding one MW from distribution licensee/(s) other than the area distribution licensee; iii. Procuring electricity other than renewable energy, exceeding one MW through Power Exchange or through electricity traders;
5.	<p>"5. Alternative modes of compliance of RPO.</p> <p>- Every Distribution Licensee, Captive Consumer and Open Access Consumer [hereinafter, referred to as the obligated</p>	<p>5. Alternative modes of compliance of RPO.</p> <p>The obligated entities specified in Regulation-3, to meet either partly or entirely, its RPO specified in Regulation 4, may in addition to purchasing / procuring electricity</p>

	<p>entity] specified in Regulation-3, may purchase REC or consume electricity generated from its own Renewable Energy Power Plant (grid-connected or otherwise), to meet either partly or entirely, its RPO specified in Regulation 4.</p> <p>Provided further that the capacity of the Renewable Energy Power Plant owned by the obligated entity</p>	<p>generated by renewable sources directly from generators/developers, can comply with the RPO specified in these Regulations in the following manner:</p> <ul style="list-style-type: none"> i. By own renewable electricity generation (grid connected or otherwise) under captive mode; ii. Purchase / procure electricity generated by renewable sources from power market/(s) iii. Purchase / procure electricity generated by renewable sources from electricity trader/(s) iv. Purchase / procure electricity generated by renewable sources from Distribution Licensee/(s), who have excess renewable energy beyond their RPO requirement v. Purchase / procure Renewable Energy Certificate/(s) from the Power market/(s) or Electricity Trader/(s) vi. Purchase of Green hydrogen or Green Amonia. <p>Deleted</p>
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	<p>shall not be less than 250 kW.</p> <p>Provided also that suitable metering and communication arrangement with the SLDC shall be established for such Renewable Energy Power Plant by the obligated entity for the purpose of monitoring the RPO compliance.</p> <p>Provided also that SLDC, within 30 days from the notification of these Regulations, shall prepare a detailed procedure for metering, communication, reporting and monitoring of RPO compliance and host the same on its website.</p> <p>Provided also that the obligated entity shall not have availed RECs in respect of the quantum of electricity consumed from its own Renewable Energy Power Plant for meeting its RPO.</p>	<p>Provided further that suitable metering and communication arrangement with the SLDC shall be established for such Renewable Energy Power Plant by the obligated entity for the purpose of monitoring the RPO compliance.</p> <p>Provided also that SLDC, shall prepare a detailed procedure for metering, communication, reporting and monitoring of RPO compliance and host the same on its website.</p> <p>Provided also that the obligated entity shall not have availed RECs in respect of the quantum of electricity consumed from its own Renewable Energy Power Plant for meeting its RPO.</p>
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		<p>Provided also any requisition of Green energy from distribution licensee shall be for a minimum period of one year.</p> <p>Provided the distribution licensee shall give green certificate to such consumers on annual basis for the renewable energy supplied by the licensee, beyond the RPO of such consumers.</p>
6.	6. State Agency. -	<p>6. Functions of State Agency. -</p> <p>(1) The State agency shall monitor and report to the Commission the RPO compliance of obligated entities and also undertake accreditation of eligible entities and maintain accounting of generation and sale of electricity of such entities.</p> <p>(2) The State Agency shall within three months from the date of these Regulations coming into force formulate and notify procedures and Terms and Conditions for Accreditation, with prior approval of the Commission thereon, and shall in formulating such procedures be generally guided by the</p>

	<p>thereon, and shall in formulating such procedures be generally guided by the procedures / rules stipulated by the Central Agency under CERC (Terms and Conditions for recognition and issuance of Renewable Energy Generation) Regulations, 2010.</p> <p>(2) The State agency shall submit to the Commission quarterly reports indicating the details of Renewable Energy Generators and the Distribution Licensees to whom accreditation is accorded and the compliance of renewable purchase obligation by the Distribution Licensees, and other consumers specified above.</p> <p>(3) The Commission may from time to time fix the charges payable by RE Generating</p>	<p>procedures / rules stipulated by the Central Agency under CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.</p> <p>(3) The State agency shall host on its website the quarterly reports indicating the details of eligible entities to whom accreditation is accorded and the compliance of renewable purchase obligation by the obligated entities specified above and also submit to the Commission an annual report of RPO compliance by the obligated entities, not later than 31st July of the year, following the financial year of RPO compliance.</p> <p>(4) The Commission may from time to time determine the charges payable by the obligated entities and the eligible entities, to the State</p>
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	Companies and the Distribution Licensees to the State Agency for discharge of its functions under these regulations.	Agency for discharge of its functions under these regulations.
7	<p>7(1) Conditions for Accreditation of RE Generators</p> <p>Renewable Energy Generators in the State applying for accreditation to the State Agency for securing REC shall satisfy the following conditions: -</p> <p>(a) The Generating Companies shall not have any subsisting power purchase agreements related to such generation with any of the distribution licensees of the State;</p> <p>(b) A Generating Company shall not, in case of premature termination of a power purchase agreement, be</p>	<p>7. Conditions for Accreditation:</p> <p>1. Infrastate entities namely, Renewable Energy Generators, captive generators based on renewable energy sources and distribution licensees shall be eligible for accreditation under these Regulations.</p> <p>Provided that the renewable energy generator/(s) meeting the following conditions shall be eligible for accreditation:</p> <p>a) The Renewable Energy Generator shall not have any subsisting power purchase agreements related to such generation with any of the distribution licensees of the State and the tariff of such renewable energy generator, for part or full capacity, has not been either determined or adopted under section 62 or section 63 of the Act respectively;</p> <p>b) A Generating Company shall not, in case of premature termination of a power purchase agreement, be eligible in respect of the generation capacity covered</p>

	<p>eligible in respect of the generation capacity covered by such PPA, for participating in REC Scheme for a period of one year from the date of termination of such agreement or till the scheduled date of expiry of PPA, whichever is earlier.</p> <p>(c) A Generating Company opting for REC Scheme shall sell the electricity generated by it to ESCOMs of the State at the pooled cost of power purchase of the State for the relevant year, as notified by the Commission from time to time or at 75% of Generic Tariff as determined by the Commission for the respective RE source for that relevant year, whichever is lower.</p> <p>"Explanation.- for the purpose of these regulations 'Pooled</p>	<p>by such PPA, for participating in REC Scheme for a period of one year from the date of termination of such agreement or till the scheduled date of expiry of PPA, whichever is earlier.</p> <p>c) A generating Company opting for REC Scheme shall sell the electricity generated by it to ESCOMs of the State at the pooled cost of power purchase of the State for the relevant year, as notified by the Commission from time to time or at 75% of Generic Tariff as determined by the Commission for the respective RE source for that relevant year, whichever is lower.</p> <p>"Explanation. - for the purpose of these regulations 'Pooled Cost of</p>
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	<p>Cost of Purchase' means the weighted average pooled price at which the State distribution licensees put together have purchased the electricity including cost of self-generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be;</p> <p>(d) Grid Connected Captive Power Producers (CPP) based on renewable sources of energy shall be eligible to get accredited for obtaining RE certificates for the energy generated and used for captive consumption and for surplus energy, if any, sold to the distribution licensee/s of the State at the average pooled power purchase cost notified by the Commission from time to time or at 75% of Generic Tariff as determined by the Commission for the respective RE source for that relevant year, whichever is lower.</p>	<p>'Purchase' means the weighted average pooled price at which the State distribution licensees put together have purchased the electricity including cost of self-generation, if any, in the previous year from all the energy suppliers long-term and short-term, but excluding those based on renewable energy sources, as the case may be;</p>
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	<p>power purchase cost notified by the Commission from time to time.</p> <p>(e) If any Generating Company obtains accreditation contrary to these Regulations, the Commission may either suo-motu or otherwise cancel the accreditation after giving notice to such Generating Company.</p>	<p>Provided further that the Certificate issued to such captive generating station to the extent of self-consumption, shall not be eligible for sale.</p> <p>Provided that the distribution licensee/(s) shall be deemed to be accredited for obtaining RECs, if it has procured renewable energy, for the relevant year, at a tariff determined under Section 62 or adopted under Section 63 of the Act or from power exchange or electricity trader, in excess of the renewable purchase obligation as specified by the Commission for the relevant year:</p> <p>Provided that the eligible entities granted accreditation prior to the date of coming into force of these regulations shall be deemed to have been granted accreditation under these regulations, till the validity of their respective accreditations.</p> <p>2. If any eligible entity obtains accreditation contrary to these Regulations and the procedures framed thereunder, the SLDC, after making an enquiry and giving opportunity to the concerned entity may revoke the accreditation, recording reasons for such revocation.</p>
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		<p>3. The eligible entities that have been granted accreditation and which have undergone a change in name or change in legal status after the grant of accreditation, shall inform, along with relevant documents from the appropriate authority such as Registrar of Companies or National Company Law Tribunal or any other Court, to the concerned SLDC which shall, upon verification of documents, update such change in its records within 30 days from the date of such information and inform the same to the Central Agency.</p> <p>7 (2) Conditions for Accreditation of Distribution Licensees:</p> <p>(i) A Distribution Licensee shall be eligible to apply for accreditation with the State Agency, namely the State Load Despatch Centre, under the REC mechanism, if it fulfils the following conditions:</p> <p>(a) It has procured renewable energy, in the previous financial</p>
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	<p>year for which the audited accounts are available, at a tariff determined under Section 62 or adopted under Section 63 of the Act, in excess of the renewable purchase obligation as may be specified by the Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher;</p> <p>Provided that, the renewable purchase obligation as may be specified for a year, by the Commission should not be lower than that for the previous financial year;</p> <p>Provided further that, any shortfall in procurement against the non-solar or solar power procurement obligation set by the Commission in the previous three years, including the shortfall waived or carried forward by the said Commission, shall be adjusted first and only the</p>	
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	<p>remaining additional procurement beyond the threshold renewable purchase obligation – being that specified by the Commission or in the National Action Plan Climate Change or in the Tariff Policy, whichever is higher - shall be considered.</p> <p>(b) The Distribution Licensee shall obtain certification from the Commission, towards procurement of renewable energy in excess of the renewable purchase obligation, as provided in sub - clause 7(2)(i)(a) of this Regulations.</p> <p>(ii) If any Distribution Licensee(s) obtains accreditation contrary to these Regulations, the Commission may either suo-motu or otherwise cancel the accreditation, after giving notice to such Distribution Licensee(s).</p>	
9	<p>Determination of Tariff for electricity from Renewable sources of energy.-</p> <p>(1) The</p>	<p>9. Determination of Tariff for electricity from Renewable sources of energy –</p> <p>(1) The Commission shall</p>

	<p>Commission may determine at any time the tariff for purchase of electricity from Renewable sources of energy by Distribution Licensees either suo motu or on an application either by generator or by Distribution Licensee;</p> <p>Provided that the tariff approved by the Commission including the PPAs deemed to have been approved under sub- section (2) of section 27 of the Karnataka Electricity Reforms Act, 1999, prior to the coming into force of these regulations shall continue to apply for such period as mentioned in those PPAs.</p>	<p>determine at any time the tariff for purchase of electricity from Renewable sources of energy by Distribution Licensees, either suo-motu or on an application either by generator or by Distribution Licensee for the Renewable Sources namely, Solar Projects other than MW-Scale Projects, Rankine cycle based Bio-Mass Power Projects and Mini-Hydel Projects of capacity not exceeding 25 MW.</p> <p>Provided that the tariff approved by the Commission including the PPAs deemed to have been approved under sub-section (2) of section 27 of the Karnataka Electricity Reform Act, 1999, prior to the coming into force of these regulations shall continue to apply for such period as mentioned in those PPAs.</p> <p>Providing further that while determining the tariff, the Commission may consider factors affecting the costs of generation including technology fuel, market risk, environmental benefits and social contribution and other relevant factors relating to the above type of renewable sources of energy.</p>
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		<p>Provided also that the Commission may be guided by the principles and methodologies, if any, specified by the CERC, National Electricity Policy, and Tariff Policy, while determining tariff for renewable sources of energy.</p> <p>Provided that the procurement from such sources is subject to distribution licensees justifying the requirement of such procurement.</p> <p>(2) The commission for sale of electricity to the distribution licensees of the State, in case of wind projects (irrespective of MW-capacity), MW-Scale Solar projects, Co-Generation Power Projects and hybridisation of existing projects by addition of wind /solar, shall adopt the tariff which has been arrived at through a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Act.</p> <p>(3) In all other cases not mentioned in Regulation 9(1) & (2) above, the</p>
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		<p>Commission shall determine the tariff on a case to case basis.</p> <p>Provided that the procurement from such sources is subject to distribution by licensees justifying the requirement of such procurement</p> <p>(4) For the renewable energy projects mentioned in Regulation 9(1) & (2) above, the State ESCOMs shall jointly carry out study through third party once in three years for various tariff parameters and submit the report to the Commission latest by December month of the third year. The first such report shall be submitted by 31.12.2023. The report shall be used as a reference by the Commission, while determining generic tariff in the case of RE projects under Regulation 9(1) and while determining ceiling tariff in the case of RE projects under Regulation 9(2).</p> <p>(2) The Commission shall determine the tariff separately for each category of renewable sources of energy mentioned in clause 2(i).</p> <p>(3) The Commission shall be guided by the principles and methodologies, if any,</p>
		Deleted, as Commission as per this Regulation is determining tariff pertaining to projects mentioned in serial No.1 & 3 above. Issue covered under Proviso to serial No.1 above.

	<p>specified by the CERC, National Electricity Policy, and Tariff Policy, while determining tariff for renewable sources of energy.</p> <p>(4) While determining the tariff, the Commission may consider factors affecting the costs of generation including technology, fuel, market risk, environmental benefits and social contribution and other relevant factors relating to each type of renewable sources of energy.</p>	<p>Issue covered under Proviso to serial No.1 above.</p>
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By Approval of the Commission

Secretary
Karnataka Electricity Regulatory Commission

