

RECORD OF PROCEEDINGS

DATE OF HEARING : 9th May, 2011 at 15.00 hrs

CASE NO. : 57 of 2011

PETITIONER : Reliance Infrastructure Limited (Distribution)

MATTER : Petition filed by Reliance Infrastructure Limited seeking Clarification of i) the provisions to Regulation 7.2 of the MERC (Renewable Purchase Obligations, its Compliance and Implementation of REC Framework) Regulations 2010, in respect of trading margin in case of RE procurement from traders,(ii) Relaxation in Solar RPO for the Compliance control period of FY 2010-11 to FY 2015-16, (iii) Permission to pay to bagasse based co-generation plants an amount equivalent to tax exemption on sugar cane purchase foregone by such co-generation plants in case of sale of power to RInfra-D and pass on the same to the consumers, (iv) Clarification in respect of eligibility of RE power purchased at preferential tariff from trader for RPO compliance, in case REC has been issued for same electricity sold to trader at negotiated price and, (v) Clarification in respect of tariff applicable for inter-State RE purchased at Maharashtra InSTS.

CORAM : Shri. V. P. Raja, Chairman
Shri. Vijay L. Sonavane, Member

Shri. Vivek Mishra, Dy. GM and Shri. G. Srinivasa Rao, Dy. GM appeared on behalf of the Petitioner during the hearing held on May 09, 2011 at 15.00 hrs in the office of the Commission.

2. During the hearing, the Petitioner made a presentation on five different issues as mentioned in the prayers of its Petition. The Petitioner submitted that it is facing a problem of procurement of power through REC. Due to some environmental issues raised at Dahanu for its proposed 40 MW Solar PV projects; it is planning to commission the Solar PV project in Rajasthan State. Furthermore, it is submitted that the Petitioner will get the Solar power from NVVN in the month of January 2012. In view of the above constraints for meeting solar RPO for FY 2010-11 and FY 2011-12, the Petitioner requested (a) to waive the compliance of annual targets under Regulation 7.1 of RPO Regulations relating to Solar Power for FY 2010-11 and FY 2011-12; (b) in the alternative, to allow the Petitioner to meet its solar RPO on a cumulative basis for the entire control period i.e. FY 2010-11 to FY 2015-16.

3. The Petitioner also submitted that GoM has given decision on exemption of tax on purchase of sugarcane for Baggase based Cogeneration plants who will sell the power to only MSEDCL, therefore, the Petitioner requested to allow as pass through the additional cost, which may be incurred by the Petitioner to compensate the bagasse based RE suppliers for foregoing the benefits of tax exemption that they may have enjoyed, if the same has been sold to MSEDCL.

4. The Petitioner seeks clarification that, whether RE purchased from traders who have in turn tied up with RE Generators, would be eligible for compliance of RPO by the distribution licensees even though such power may be accredited or such Generator may be registered under the REC Regulations.

5. It is submitted that the Petitioner received business leads on some biomass based power plants outside Maharashtra who are ready to supply RE from their plants to the Petitioner at preferential Tariff approved by the Commission. In this situation, the Petitioner seeks clarification that the RE generated outside Maharashtra and purchased at preferential tariff and delivered at Maharashtra InSTS would be considered for RPO compliance. Also, the Petitioner seeks clarification that whether trading margin is included in the said Regulation 7.2 for considering the eligible quantum in respect of RE procurement by payment of trading margin.

6. Having heard the Petitioner's prayers, the Commission directed the Petitioner as follows;

- a) to study and submit the evidence of non-availability of Solar REC in the Power Market. Also submit the status of Solar REC registered and issued by NLDC.
- b) Pertaining to the GoM RE Policy/Order, the Petitioner may request to the GoM for applicability of said Order to all distribution licensees in the Maharashtra State

7. Further, Commission directed that the legality of remaining issues will be examined internally within the Commission.

The Commission fixed the next hearing on 19th May, 2011 at 15.00 hrs in the office of the Commission.

List of Persons who attended the hearing on 9th May, 2011

1. Shri. Vivek Mishra, Dy. GM RInfra Ltd
2. Shri. G.Shrinivas Rao, Dy. GM RInfra Ltd.
3. Shri. Onkar Savarkar, Advocate Assistant, Mulla & Mulla & Craigie Blunt & Caroe.