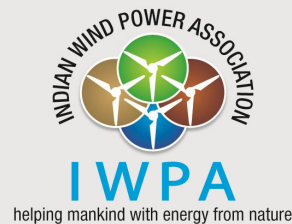


June 3, 2015



IWPA Circular No. 149

Dear Members

**1. Draft guidelines of CERC on Forecasting, Scheduling & Imbalance Handling for RE
– Comments requested by 9.6.2015 for presentation to CERC
2. Supreme Court Upholds Applicability of RPO on Captive Power Plants**

1. Please find enclosed the Public notice of CERC on the above subject. Members are requested to study the draft posted on the CERC website <http://www.cercind.gov.in> and forward their Comments / Suggestions / Objections latest by 9.6.2015 to enable us to present the same at the public hearing in Delhi on 12.6.2015.

2. **Supreme Court upholds applicability of RPO on Captive Power Plants:** The Supreme Court upholds applicability of Renewable Purchase Obligation on Captive Power Plants. This Order is a positive development and will help Renewable Energy growth in the country.

The Supreme Court order dated 13 May 2015 in the case between the Hindustan Zinc vs Rajasthan Electricity Regulatory Commission on the applicability of Renewable Purchase Obligation (RPO) regulations has ruled that RPO on captive consumer is justified and interpreted it in the context of Article 51A (g) of the Constitution of India that cast a fundamental duty on the citizen to protect and improve the natural environment, and the mandate of Article 21 that guarantee right to live with healthy life.

The Section 86 (1) (e) of the Electricity Act (EA) 2003 provides for Renewable Purchase Obligation (RPO) on consumption of energy and the RPOs are determined by respective State Electricity Regulatory Commissions. The applicability of RPOs is on the Distribution Companies (Discoms) Captive Power Plants (CPP) and also on Open Access (OA) consumers.

In August 2012, the Rajasthan High Court had dismissed an appeal by Hindustan Zinc Ltd., Ambuja Cements Ltd., Grasim Industries Ltd., and 14 other companies that challenged RPO regulations enacted by the Rajasthan Electricity Regulatory Commission (RERC) for put RPOs on Captive Power Plants. The key Captive Power Plants and Open Access users had contested that RERC did not have the authority to pass the order of RPO and impose surcharge (penalty) as CPP and OA were completely de-licensed activities under the Electricity Act 2003. Further that EA 2003 only allows RPO on the 'total consumption in the area of the distribution licensee' and, therefore, intends to apply RPO on distribution licensees only. The Hindustan Zinc had appealed in the Supreme Court against the High Court.

The Supreme Court order is a positive development and will help in enhancing RPO compliance and further contribute to renewable energy growth in the country.

Thanking you and Best Wishes & Regards

Yours faithfully
For: Indian Wind Power Association

Enclosure: Public Notice of CERC Dated 28th May 2015

**Prof. Dr. K Kasthurirangaian
Chairman**

Indian Wind Power Association

Door No. E, 6th Floor, Tower -1, Shakti Towers, No. 766, Anna Salai, Chennai 600 002
Ph : 044 4550 4036 | Fax : 044 4550 4281 | E-mail : iwpahq@windpro.org / secretary.general@windpro.org | Website : www.windpro.org