

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:795
ANSWERED ON:25.02.2011
RENEWABLE PURCHASE OBLIGATIONS
Naik Dr. Sanjeev Ganesh;Sule Supriya

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether to make the purchase of renewable energy attractive to power distribution companies, the Central Electricity Regulatory Commission (CERC) has introduced source- specific tariffs for the purchases of renewable energy, which are obligatory and known as renewable purchase obligations (RPOs);
- (b) if so, whether currently, the State Electricity Boards, in order to meet their renewable purchase obligations procure energy from sources such as wind power and small hydro at the CERC notified tariff;
- (c) if so, whether the need for having a source-specific tariff is being felt as the energy from solar sources would be higher than other renewable sources;
- (d) if so, whether to enable other States to meet their obligated clean energy requirement the RPOs mechanism has been introduced: and
- (e) if so, the extent to which it has helped to clear more demand from power distribution companies?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a): In accordance with powers conferred under the Electricity Act, 2003, the CERC has notified CERC (Terms and conditions for tariff determination from renewable energy sources) Regulations, 2009 dated 16.9.2009. As per the said Regulation the CERC has determined source specific tariff (Wind, Small Hydro, Biomass, non fossil fuel co-generation, Solar PV and Solar Thermal) for the year 2009-10, 2010-11 and 2011-12.

As regards renewable purchase obligation (RPO), it is the responsibility of the State Electricity Regulatory Commissions (SERCs) as per section 86 (1)(e) of the Act, to specify percentage to be purchased from renewable energy sources by the obligated entities.

(b): The State Electricity Boards (SEB) or distribution Utilities, as the case may be, procure renewable energy power in order to meet renewable purchase obligation at a tariff fixed by the State Electricity Regulatory Commission (SERC and generally from source available within the State.

(c): The capital cost and operational efficiencies vary across different RE technologies. There is, therefore, a need for fixation of tariff RE Source/technology-wise.

(d)&(e) Fixation of Renewable Purchase Obligation (RPO) is the function of the State Electricity Regulatory Commissions (SERCs) under section 86 (1) (e) of the Electricity Act. RPOs fixed by the SERCs are annexed herewith as Annexure. The actual achievement of RPO in the country during FY 2010 is reported to be about 4% of the total energy consumption.