



TATA POWER-DDL

TPDDL/REGULATORY/2019-20/PMG/52
May 02, 2019

Office of the Head (Regulatory & Legal)

Without Prejudice

The Secretary

Delhi Electricity Regulatory Commission,
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar,
New Delhi –110 017.

- Subject:** 1) Intimation Regarding Status of Renewable Purchase Obligation (RPO) Compliance for FY 2018-19.
2) Request for extending REC purchase till Q2 of FY 2019-20 for meeting RPO of FY 2018-19.

Dear Sir,

We write with reference to the Renewable Purchase Obligation (RPO) of Tata Power-DDL specified by Hon'ble Commission vide DERC (Business Plan) Regulations, 2017. The RPO has been specified as follows:

Sr. No.	Distribution Licensee	FY 2018-19
1	Solar Target (Minimum)	4.75%
2	Total	14.25%

The Regulation further allows the Distribution Licensees to meet the RPO for any financial year within three months from the date of completion of the relevant financial year. The relevant Regulations are being presented below for ready reference:

"The Distribution Licensee shall comply with its RPO through procurement of either Solar energy or combination of Solar energy and Non-Solar energy with minimum purchase of Solar energy as specified in the table above:

Provided that the Distribution Licensee may purchase solar energy in excess of the minimum solar Target as specified in aforesaid sub-Regulation (1),

Provided further that the Distribution Licensee may purchase Renewable Energy Certificate (REC) for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year."

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TATA POWER DELHI DISTRIBUTION LIMITED

(A Tata Power and Delhi Government Joint Venture)

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Website : www.tatapower-ddl.com CIN No. : U40109DL2001PLC111526

At the very outset we submit that Tata Power-DDL has fulfilled its entire RPO Obligation till FY 17-18 through purchase of power and RECs and we endeavor to do the same for FY 18-19 also. The status of RPO fulfilment by Tata Power-DDL till the end of FY 18 - 19 is as follows:

	Target (%)		Actual Sales*	Target (MUS)		Actual (MU)		Short Fall (MU)	
	Solar	Total		Solar	Total	Solar#	Total**	Solar	Total
FY 2018-19	4.75%	14.25%	8047	382	1147	76	240	(305)	(907)

*This is computed excluding the consumption from generation plants of Hydro Based units.

#Generation from Solar Roof Top is tentative and is subject to final reconciliation. We have considered 22.6 MUs of Solar RECs purchased in June 2018 for FY 18-19.

**175.8 MUs of Non-Solar (SHP) shall be procured in May 19 and June 19 for fulfilling RPO of FY 18-19 which has been sourced through participation in tender issued by HPSEB. This quantum is not included in 240 MUs.

We would further like to submit that Tata Power-DDL has been endeavoring to meet its RPO in the most economic manner with Renewable Power procurement being the preferred option. We have made several efforts to purchase renewable power at competitive rates and purchase RECs only as last resort/fallback option to meet for the gaps thereafter. Our present renewable tie ups include the following:

Developer/Source	Quantum (MW)
SECI (Solar)	20 MW
Small Hydro Power	29 MW
Waste to Energy	13 MW
Captive Solar (Own)	1.6 MW

Going ahead we have following Renewable Power tie ups:-

Developer/Source	Quantum (MW)
Sun Edison (Solar)	180 MW
SECI (Solar)	100 MW
SECI (Solar)*	200 MW
SECI (Wind)	100 MW
Small Hydro Power	33 MW

*PSA to be signed shortly

In addition to the above we made the following efforts for meeting the RPO of 2018-19:

- Tata Power-DDL issued tender no. Tata Power-DDL/PMG/Tender/Solar/Purchase-2018/01, dated 13th November 2018 for procurement of up to 800 MUs of Renewable



power (Solar) for the period from 16th December 2018 to 31st October 2019 through DEEP portal, with the scheduled submission date as 30th November 2018 (copies of the Notice inviting tenders published in three newspaper are enclosed as Annexure-1). However, only a single bid was received on the said due date. To ensure wider participation, and to provide sufficient opportunities to the potential bidders, the due date of the above tender was extended till 07th December 2018 (copy enclosed as Annexure-2). We find it pertinent to mention that no further bids were received on the extended due date and accordingly, the single bid received earlier was opened. The bid quantum was 200 MW at a rate of Rs. 6.00 per unit for the period from 16th December 2018 to 31st October 2019 (copy enclosed as Annexure-3). Owing to very high rate quoted by the sole bidder the tender was closed and procurement could not be materialized.

- b) Tata Power-DDL participated in a tender floated by HPSEB for sale of Non-Solar Power (SHP). HPSEB issued a tender for sale of up to 175 MW RTC Non Solar Renewable power for the period of 1st May 2019 to 7th October 2019. We offered to offtake the complete quantum offered by HPSEB in the period of 1st May 2019 to 7th October 2019, to fulfil our Renewable Purchase obligations for FY 2018-19 & FY 2019-20. We had quoted a rate of Rs. 4.40 per unit at HPSEB periphery and subsequent to completion of the bidding process by HPSEB, Tata Power-DDL was declared as the successful bidder. Accordingly, we were able to successfully tie up 462 MUs of Non-Solar Power which will be used towards meeting RPO of FY 18-19 and FY 19-20 as well as the summer demand. We also wish to avail the provision of supply of 25% extra power over and above 462 MUs resulting in a total supply of 577.5 MUs for which efforts are underway (copy of Lol is attached as Annexure-4)

Pursuant to the aforementioned tie ups of Renewable Power we initiated the process of purchasing RECs to meet the remaining short fall in RPO for FY 2018-19. The total shortfall is of 907 MUs. Since 175 MUs out of this shortfall is to be sourced through participation in tender issued by HPSEB, the balance left for procurement is 732 MUs which is to be procured in Q1 of FY 2019-20 in three trading sessions (once every month from April to June 2019). Accordingly, one-third of the balance quantum i.e. $732/3=244$ MUs was to be bid in April 2019. We participated in the trading session of Apr 2019 dated 24th April 2019 and had bid for 134201 (134.201 MUs) Solar REC and 109524 (109.524 MUs) Non Solar REC totaling 244 MUs (copy of the screen shot of this Bidding enclosed as Annexure-5). However, due to lack of availability of RECs in the market we were not able to purchase the entire lot of Solar and Non Solar certificates. Our bid quantum and cleared quantum details are mentioned in table below:

Bid details of 24.04.2019

	Bid Quantum	Cleared Quantum
Non Solar	109524	74047*
Solar	134201	0

*Certificate of Purchase of RECs enclosed as Annexure-6

From the above it is clear that there is lack of liquidity in market and with the REC market allowing participation only once in a month (last Wednesday of every month) we have now only two days



available till June 2019 for procuring the balance RECs. Accordingly, considering the aforementioned market constraints we humbly request Hon'ble Commission to allow spreading the purchase of Renewable Power/RECs till end of Quarter 2 of FY 19-20. The same would help in ensuring meeting of RPO for FY 2018-19 in an economic and prudent manner.

We hope the Hon'ble Commission finds the above submissions in order for issuance of suitable order as sought above.

Thanking You.

Yours Sincerely,
For **Tata Power Delhi Distribution Ltd.**

B. B. Bhadawat

Bharat Kumar Bhadawat
Head (Regulatory & Legal)

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Encl: As mentioned above.

