

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No.: 71 of 2018

In the matter of:

Petition seeking approval of one time registration fee and annual fee to be collected from obligated entities for registration under Renewable Purchase Obligation Compliance system (RPOCS) in Uttarakhand.

In the matter of:

Uttarakhand Renewable Energy Development Agency

... Petitioner

CORAM

Shri Subhash Kumar Chairman

Date of Hearing: December 18, 2018

Date of Order: January 14, 2019

The Order relates to the Petition dated 03.11.2018 filed by Uttarakhand Renewable Energy Development Agency (hereinafter referred to as "UREDA") under Regulation 6.3 and 6.4 of UERC (Compliance of Renewable Purchase Obligation) Regulations, 2010 (hereinafter referred to as "RPO Regulations, 2010") for approval of one time registration fee and annual fee to be collected from obligated entities for registration under Renewable Purchase Obligation Compliance System (RPO Web Tool) in Uttarakhand.

1. Background

1.1 UREDA is the state nodal agency under RPO Regulations, 2010. Further, as per Regulation 5.2 read with 6.3 of RPO Regulations, 2010, all the obligated entities are required to submit quarterly as well as annual status report in respect of compliance of renewable purchase obligations to UREDA and the same is then forwarded to the Commission in the approved format from time to time.

1.2 UREDA had approached the Commission stating that the RPO statements submitted by

the obligated entities are not as per the requirement of the regulations as the same were not as per the desired format, not submitted within the stipulated time frame and the gross electricity consumed did not match with those provided by SLDC etc. Further, many times, obligated entities did not provide their previous shortfall while submitting their present RPO compliance statement and their quarterly RPO statement did not match with their annual RPO statement. Therefore, it becomes an uphill task for UREDA to submit their statement to the Commission within the stipulated timeframe. UREDA submitted that M/s Idam Infrastructure Advisory (P) Ltd. has submitted a proposal to UREDA for development of RPO Web Tool which will sort out all the issues mentioned above. The details of the expenses to be incurred for the development of RPO Web Tool are as given below:

S.N.	Scope of Work	Fee (excluding GST)	Remarks, if any
Fixed			
1	Deployment of Web tool (original cost for preparation of this tool was given by USAID)	Rs. 4,20,000/-	
2	Development of Help Manual	Rs. 70,000/-	Only soft copy shall be submitted
3	One Capacity Building/Training Workshop	Rs. 60,000/-	At Dehradun
Sub Total		Rs 5,50,000/-	
Optional			
4	Additional Capacity Building/Training Workshops	Rs. 50,000/-	Per one day workshop
5	Maintenance Fee	Rs 10,000/-	Per Call

1.3 UREDA vide its letter no. 1013/UREDA/REC/10/RPO/2017-18 dated 28/08/2018 had requested the Commission for providing approval on the following:

- Necessary approval for the deployment of Renewable Purchase Obligation Compliance System (RPO Web Tool) in Uttarakhand from M/s Idam Infrastructure Advisory Private Limited.
- To bear the cost of Rs 4,20,000/- (excluding GST) for the deployment of RPOCS web tool.
- Proposed to fix one time registration fee to be collected from each obligated entity (open access consumer/captive user/DISCOM). This amount will be used for taking the services of capacity building, operation & maintenance of the RPO web tool. The amount will also be used for paying charges of the cloud based web space etc.

1.4 Subsequently, the Commission vide its letter no. UERC/6/TF-482/2018-19/2018/832 dated 28/08/2018 accepted the request of UREDA for bearing the cost of deployment of RPO web tool and instructed it for taking the necessary action for deployment of RPO Web Tool with M/s Idam Infrastructure Advisory Private Limited and also advised UREDA to file a proper Petition before the Commission seeking approval of one time registration fee and annual fee. Accordingly, the present Petition has been filed by the Petitioner for getting approval of one time registration fee and annual fees to be collected from the obligated entities in the State for registering themselves in proposed RPO Web Tool.

2. Petitioner's submission

2.1. The Petitioner submitted that there were around 86 numbers of open access consumers which were registered in FY 2017-18 and out of these only 30 open access consumers had submitted their RPO statement to UREDA. Further, none of the captive users have submitted their RPO statement to UREDA.

2.2. The Petitioner submitted that the total proposed expenditure for deployment of RPO Web Tool (excluding Rs 4,20,000/- as the same was being funded by the Commission) system for next 10 years would be as follows:

S. No.	Particulars	Estimated expenditures per year including GST	Total expenditure for 10 years including GST
1	Development of Help Manual (one time)	Rs. 82,600	Rs. 82,600
2	Two Capacity Building/Training Workshop (one each in Garhwal and Kumaon region)- (one time)	Rs. 1,20,000	Rs. 1,20,000
3	Maintenance Fee (5 calls per year @Rs 10,000 per call)	Rs. 50,000	Rs. 5,00,000
4	Charges against getting web space in cloud (@Rs. 80,000 per year)	Rs. 80,000	Rs. 8,00,000
5	Other miscellaneous expenditures like website audit and others (@Rs 20,000 per year)	Rs. 20,000	Rs. 2,00,000
Total			17,02,600/-

2.3. The Petitioner submitted that assuming 80 nos. of open access consumers and 200 nos. of captive users who will register in the RPO Web Tool, total amount that will be collected from registration and annual fees in 10 years under RPO Web Tool from the obligated entities will be as follows:

S. No.	Name of obligated entities	Numbers	One time registration fee in Rs.	Annual fee collected in 10 years in Rs.
1	Uttarakhand Power Corporation Limited (one time registration fee @Rs 10,000 and annual fee @Rs 1000 per year)	01	10,000	10,000
2	Open Access Consumers (one time registration fee @Rs 10,000 and annual fee @Rs 1000 per year)	80	8,00,000	800000
3	Captive Users (one time registration fee @Rs 500 and annual fee is nil)	200	1,00,000	0
	Total	181	9,10,000/-	8,10,000/-
	Total collection		17,20,000	

2.4. Based on the above, the Petitioner requested the Commission to approve the following registration and annual fees to be collected from each obligated entities for registration under RPO Web Tool in Uttarakhand:

S. No.	Category of Obligated entities	Registration fee		Annual fee	
		Amount in Rs.	Frequency of collection	Amount in Rs.	Frequency of collection
1	Distribution licensee	10,000	One time	1,000	Each year
2	Open Access Consumers	10,000	One time	1,000	Each year
3	Captive Users	1,000	One time	Nil	NA

3. Commission's Views & Decisions

3.1. The Petitioner has submitted that obligated entities are required to submit quarterly as well as annual Renewable Purchase Obligation Statement to it. With regard to obligated entities, Regulation 2(1)(l) of RPO Regulations, 2010, specifies as follows:

“Obligated Entity” means the distribution licensee, captive user (Excluding cogeneration based captive power plants) and open access consumer in the State mandated to fulfil renewable purchase obligation under these regulations”

Further, with regard to submission of Quarterly as well as annual RPO statement, Regulation 5(5.2) and (5.3) of RPO Regulations, 2010 specifies as follows:

“5.2 All the Obligated Agencies shall submit quarterly status report to the State Agency in respect of compliance of renewable purchase obligation in accordance with the procedure as framed by State Agency.

5.3 All the obligated Agencies shall also submit a detailed statement to the State Agency under

intimation to the Commission within one month of close of each year in respect of compliance of renewable purchase obligation in that year”

- 3.2. The Petitioner has submitted that there were around 86 nos. of Open Access Consumers in FY 2017-18 and one distribution licensee whose quarterly RPO details did not reconcile with the yearly details submitted by them. Further, the information on gross energy consumed provided by SLDC also did not match with the information submitted by the obligated entities. Here, it would be relevant to mention that the Commission has observed that the captive users (excluding co-generation based captive power plants) are not submitting the RPO details required in accordance with RPO Regulations, 2010.
- 3.3. Since there are many obligated entities in the State, contacting and maintaining their RPO status from time to time is a difficult and time consuming job. In the matter, a representation was received from the Petitioner regarding deployment of RPO Web Tool so that manual submission of RPO data by the obligated entities can be avoided and any information pertaining to the obligated entities can be seen at a glance through online tool. The Commission has gone through the benefits of the Web Tool which are as follows:
- a) Online Regular submission of RPO details;
 - b) A common platform for all Obligated Entities;
 - c) Online validation of the submitted data with the documents;
 - d) Online monitoring by State Nodal Agency and State Commission;
 - Renewable Energy Contracts to meet RPO.
 - Actual consumption of power.
 - RE purchased and REC purchased.
 - e) Multiple types of Reports can be generated based on the requirement.
 - f) Online directions to Obligated Entities who have not complied with the RPO Regulations;
 - g) Integration of compliance reports with the Web Tool of MNRE.
- 3.4. The Commission vide its letter dated 12.09.2018 had informed the Petitioner that the cost of the development of the Web Tool shall be borne by the Commission considering the fact that Web Tool, having the features as given hereinabove, would be essential in timely capturing of RPO compliance of the Obligated Entities, monitoring compliance, ease of

generating various reports etc. and also integration of the reports with the Web Tool of MNRE. Further, the Commission vide same letter had advised UREDA to file a separate petition seeking approval of one time registration fee as proposed by the Petitioner from obligated entities in the State.

- 3.5. Accordingly, the present Petition dated 03.11.2018 has been filed by the Petitioner for the approval of one-time non-recurring registration fee and annual fee to be charged from the obligated entities to meet out the expenditure to be incurred for training program and maintenance of the RPO Web Tool. The Commission admitted the Petition and issued a public notice on 27.11.2018 seeking comments/responses from all the stakeholders on the Petition filed by UREDA. However, no written comments were received by the Commission in the matter. A public hearing was conducted on 18.12.2018 and the Judgment in the matter was reserved.
- 3.6. In the present Petition, the Petitioner has proposed a total expenditure (including recurring and non-recurring expenses) amounting to Rs.17.03 Lakh for the RPO Web Tool based on the expenses proposed to be incurred during a period of 10 years. Detailed breakup of the same is as follows:

Table No. 1 : Estimated Expenditure

S. No.	Particulars	Non Recurring Estimated expenditures including GST	Recurring estimated Expenditure for 10 years including GST
1	Development of Help Manual (one time)	Rs. 82,600	-
2	Two Capacity Building/Training Workshop (one each in Garhwal and Kumaon region)-(one time)	Rs. 1,20,000	-
3	Maintenance Fee (5 calls per year @Rs. 10,000 per call)	-	Rs 5,00,000
4	Charges against getting web space in cloud (@Rs. 80,000 per year)	-	Rs 8,00,000
5	Other miscellaneous expenditures like website audit and others (@Rs. 20,000 per year)	-	Rs 2,00,000
Total		Rs. 2,02,600/-	15,00,000/-
Total Expenditure		Rs. 17,02,600/-	

- 3.7. To meet out the aforesaid expenses, the Petitioner has proposed one time registration fee to be charged from all the obligated entities and annual fee to be charged from distribution licensee and Open Access consumers. The detail of the same is as follows:

Table No. 2 : Fees Proposed

S. No.	Category of Obligated entities	Registration fee		Annual fee	
		Amount in Rs.	Frequent of collection	Amount in Rs	Frequent of collection
1	Distribution licensee	10,000	One time	1,000	Each year
2	Open Access Consumers	10,000	One time	1,000	Each year
3	Captive Users	5,00	One time	Nil	-

3.8. In support of the aforesaid fee, the Petitioner has submitted that assuming 80 nos. of open access consumers and 200 nos. of captive users who will register in the RPO Web Tool, total amount that will be collected from registration and annual fees in 10 years from the obligated entities will be as follows:

Table No. 3 : Total Fees Proposed

S. No.	Name of obligated entities	Numbers	One time registration fee in Rs. (Non-recurring Revenue)	Annual fee collected in 10 years in Rs. (Recurring Revenue)
1	Uttarakhand Power Corporation Limited (one time registration fee @Rs 10,000 and annual fee @Rs 1000 per year)	01	Rs. 10,000	Rs. 10,000
2	Open Access Consumers (one time registration fee @Rs 10,000 and annual fee @Rs 1000 per year)	80	Rs. 8,00,000	Rs. 8,00,000
3	Captive Users (one time registration fee @Rs 500 and annual fee is nil)	200	Rs. 1,00,000	-
	Total	281	Rs. 9,10,000/-	Rs. 8,10,000/-
	Total collection		Rs. 17,20,000	

3.9. Based on the above, the Commission has decided to approve only one time registration fee to be collected from the obligated entities for registration under RPO Web Tool System as per Table 3 above while not allowing charging of Annual fee as proposed in the above Table.

3.10. In Table 1, the Petitioner has considered 5 calls per year @ Rs. 10,000 per call for maintenance of RPO Web Tool for the next 10 years which appears to be on higher side as with the passage of time, the RPO Web Tool will be fully developed covering all the scenario/aspects and hence, less maintenance and modifications will be required.

3.11. Further in Table No. 1, the Petitioner has proposed expenditure of recurring nature amounting to Rs. 10.00 Lakh inclusive of GST for the next 10 years. In this regard, the Commission is the view that there is no surety that the charges for getting web space in

cloud, website audit and GST rate will remain same for the next 10 year. In future, cost of such services may get costlier or cheaper which may impact the budgeting/planning of the Petitioner for smooth functioning/running of the RPO Tool.

3.12. Accordingly, based on the above discussion, the Commission is of the view that the recurring maintenance expenses will be borne by the nodal agency, i.e. UREDA out of the amount collected by it as one-time registration fee as approved above alongwith the interest earned on the same. However, any shortfall in the maintenance expenses shall be borne by the Commission as per the methodology given in Para 3.13 herein below.

3.13. In the matter, the Commission directs UREDA to open a separate account (interest bearing bank account named as RPO Web Tool Fund A/c) in a nationalised bank which shall have a feature of auto-sweep to enable it to generate more interest income wherein all the registration fee to be collected from the obligated entities for registration under RPO Web Tool would be deposited and the same shall be utilised to meet the expenses necessary for the maintenance of RPO Web Tool. Further, once the RPO Web Tool fund is completely utilised, the Commission shall pay the RPO Web Tool maintenance expenses to UREDA on submission of the verified bills pertaining to maintenance of the Web Tool.

3.14. UREDA shall submit details of proposed expenditure to be incurred for maintenance of Web Tool for the ensuing financial year on or before 28th/29th February of the current financial year. UREDA shall also submit annual utilisation statement of RPO Web Tool fund alongwith available balance in the fund, if any, within 15 days after the end of each Financial Year.

3.15. Ordered accordingly.

(Subhash Kumar)
Chairman