PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A, MADHYA MARG, CHANDIGARH

Petition No. 30 of 2022
Date of Order: 06.01.2023

Petition under Section 86 (1) (e) of the Electricity Act, 2003 as read with Regulation 3(2), 6(2) and 7 of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2011 for carrying forward the shortfall of Renewable Purchase Obligation (RPO) of Punjab State Power Corporation Limited for the FY 2021-22 to FY 2022-23.

AND

In the matter of: Punjab State Power Corporation Ltd., The Mall, Patiala, Punjab.

...Petitioner

Punjab Energy Development Agency, Plot No. 01 and 02, Sector 33-D, Chandigarh.

…Respondent

Commission: Mr. Viswajeet Khanna, Chairperson

Mr. Paramjeet Singh, Member

Petitioner: Ms. Poorva Saigal, Advocate

Respondent: Sh. Aditya Grover, Advocate

ORDER:

1. The Petition has been filed by Punjab State Power Corporation Ltd (PSPCL) seeking to carry forward its shortfall in RPO compliance for the FY 2021-22 to FY 2022-23. The submissions made in the petition are summarized as under:

a) The Commission vide notification dated 02.01.2019 had specified the RPO targets in the State for the FY 2021-22 as 8.0% for Non-Solar and 6.5% for Solar power. However, in Petition No. 36 of 2021 filed by PSPCL on account of unprecedented conditions due to second wave of Covid-19, the Commission relaxed the said targets by 0.3% and 1.5% respectively. Accordingly, the RPO obligation for FY 2021-22 was set at 7.7% for Non-Solar and 5.0% for Solar.

b) In the said Petition, PSPCL had taken the Input Energy and the Hydro Energy based on the figures allowed by the Commission in the Tariff Order for FY 2021-22. However, by way of the review of FY 2021-22 carried out in Tariff Order for FY 2022-23, figures of Input Energy and Hydro Energy got changed. The input energy increased from 57813 MU to 60850 MU, whereas the hydel energy decreased from 13181 MU to 12416 MU, resulting in increase in the effective input energy for calculation of RPO targets from 44632 MU to 48434 MU, leading to an increase in MU of RPO compliance. The basis and premise of the PSPCL projections were upset on account of the peculiar nature of COVID-19 and its impact on demand/supply of energy. In view of the second wave of COVID-19 beginning April 2021, PSPCL had applied the principles of FY 2020-21 to FY 2021-22. However, the overall demand in FY 2021-22 turned out to be far in excess of FY 2020-21. While, the projections for Non-Solar power based on generation in FY 2020-21 and PPA/PSA of newly commissioned projects was taken as 2657 MU, the actual quantum received was only 2276

MU. Although, solar power increased by 87 MUs, the net RE power got decreased by 283 MUs from the projected figure.

c) Insofar as RECs are concerned, it is submitted that the mandate of fulfilling RPO by relying on the same is premised on sound principles of economics as observed by Hon'ble APTEL in the case of Indian Wind Power Association vs. GERC, 2015 SCC OnLine APTEL 105. To purchase RECs equivalent to the shortfall in RPO compliance, the financial impact on the consumers as per the prevalent price trend comes to be in excess of Rs. 126 crore.

d) Despite best efforts to secure RE Power, for reasons beyond its reasonable control, PSPCL could not achieve the RPO targets for FY 2021-22.

2. PSPCL filed an additional affidavit on 12.07.2022, submitting that:

a) As per the prevailing dispensation, only hydro power is excluded while considering the Input Energy for computing the RPO. Also, in some States renewable energy is excluded from the consumption for calculating RPOs as per the methodology followed by HERC, APERC and TSERC.

b) Thus, RPO trajectory for States of Haryana, U.P and Telangana, which have similar geographical conditions and load profile, is much less as compared to the targets specified for Punjab. Also, the RPO targets specified by other SERCs (UPERC & TSERC) are increased in the range of 1% p.a against the increase of almost 3% p.a. in case of Punjab.

c) PSPCL is facing several challenges in fulfillment of RPO i.e. resources for Non-Solar RE power are very limited in Punjab and hydel sources stand almost fully utilized. The only new hydro project in pipeline is the 206 MW Shahpur Kandi project. Further, Punjab has a peculiar load trajectory i.e. maximum demand in the range of 4000 MW to 15000 MW depending on the season. The thermal plants also have to be kept in spinning mode as base load plants. Therefore, with increasing RPO targets, it become very difficult for PSPCL to consume all power from various sources in the system, particularly during the lean season without surrendering conventional power and putting additional financial burden on PSPCL and the consumers of Punjab State.

3. In the hearing held on 20.07.2022, PSPCL was asked to explain whether the prayer to carry forward RPO obligations of FY 2021-22 does not tantamount to review of the Tariff Order of PSPCL for FY 2022-23, wherein it was directed to fulfill the RPO Shortfall for FY 2021-22 within one month. The Commission also noted that PSPCL has filed another petition no. 27 of 2022 for seeking approval of Power Procurement Plan on short term basis; PSPCL was asked to explain why endeavor should not be made to meet its RPO short fall through the said short term power purchase. Further, the Commission also impleaded the State Agency PEDA as a respondent in the petition.
4. PEDA filed its reply to the petition submitting as under:
   a) PSPCL at the time of submissions of its APR of FY 2021-22 and revised estimates for FY 2022-23 had submitted different figures than those now claimed in the petition. PSPCL has been consistently varying the figures of energy and seeking carry forward of the shortfall in RPO for the last many years on one or other pretext.

b) The Commission, in terms of GoP directives, had already reduced the RPO target. PSPCL cannot seek to repeatedly take unwarranted benefit on the pretext of Covid-19. It is the faulty planning of PSPCL that has led to shortfall of the RPO compliance.

c) PSPCL should procure RE power or RECs at the right time as they are under similar obligation as other obligated entities for fulfillment of RPO targets. It cannot evade its obligation on the pretext that purchase of REC to meet the RPO shortfall has a high financial impact.

d) By way of additional affidavit, PSPCL is seeking to exceed the scope of the petition. For amending the RPO trajectory an amendment would be required to be made in the RPO Regulations.

e) PSPCL is pretending as if there is scarcity of RE power due to which it is unable to meet its RPO targets. However the reality is to the contrary, as PSPCL is consistently showing reluctance in entering into PPAs with new/existing RE projects in the State.

f) In case, the Commission decides to carry forward the RPO of PSPCL, the same may be subject to costs as deemed fit by the Commission, as per the provisions of RPO Regulations.

5. In response to the Commission's query raised in the hearing held on 20.07.2022, PSPCL submitted its reply on 22.08.2022 stating as under:

a) PSPCL is praying for the exercise of the specific powers of the Commission in terms of the PSERC (RPO and its Compliance) Regulations, 2011. PSPCL is not disputing the quantum considered by the Commission in its Tariff Order dated

31.03.2022, nor is it seeking any review of the directions contained therein. PSPCL is, however, placing before the Commission the circumstances which justify the Petitioner's plea to the Commission to exercise its discretionary powers to consider the extenuating circumstance and allow PSPCL to carry forward the RPO shortfall of the FY 2021-22 to FY2022-23. The said power of the Commission is independent of the power exercised under the PSERC (Terms and Conditions for Determination of Generation, Transmission, Wheeling and Retail Supply Tariff) Regulations, 2019 while issuing the tariff order.

b) So far as the Short Term power is concerned, as already stated in the Petition No. 27 of 2022, PSPCL had endeavored to meet the said requirement from RE sources. However it has been unable to procure such power. For instance, PSPCL had bid with a competitive rate of Rs. 4.75/kWh for the tender floated by Himachal State Electricity Board for the sale of non-solar renewable power (night hours) but was unable to secure it. Also, for the FY 2022-23, PSPCL has floated 9 short term tenders of RE power with 500 to 1000 MW capacities which did not materialize due to lack of response.

c) However, efforts are being made to purchase power from G-DAM (340.30 MU purchased during April - July 2022), whenever it is commercially viable.

d) PSPCL is placing on record the RPO Trajectory recommended by the MoP on 22.07.2022, which inter-alia, provides that w.e.f FY 2022-23, energy procured from all HPPs would be considered towards RPO compliance under "Other RPO" category. If the same methodology is adopted by the Commission, PSPCL would be in compliance of its RPO obligations for FY 2022-23 under "Other RPO" category (even assuming that the carry forward for both Solar & Non-Solar combined of FY 2021-22 is allowed by the Commission in the "Other RPO" category for FY 2022-23).

6. On 04.10.2022, while undertaking to comply with the overall consolidated RPO target of 24.61% for FY 2022-23 along with the carry forward of shortfall for both Solar and Non-Solar compliance for the FY 2021-22, PSPCL submitted that it has entered into PPAs/PSAs for the procurement of Hydro Power and has also given an in principle consent to SECI to float a tender for the procurement of RE-RTC power comprising of Solar, Wind and Energy storage. Further, in the rejoinder to the reply filed by PEDA, it was submitted as under:

   a) The figures for input energy and hydel energy submitted in the petition are based on the latest figures allowed by the commission in the APR of FY 2021-22 carried out in the Tariff Order for FY 2022-23 and RE power is taken on actual basis, which are subject to true up by the Commission.

   b) The energy generation/consumption figures are dynamic in nature and do not remain constant. Further, the RPO provisioning is done on the basis of estimated figures which are then reviewed/modified by the Commission. Accordingly, there is always a difference between the estimates of PSPCL and final approval by the Commission.

   c) PSPCL, as a prudent and responsible State distribution utility, made all possible endeavours to fulfill the RPO Obligation.

However, on account of various uncontrollable events, PSPCL has not been able to fulfill the RPO Obligation in terms of prevalent PSERC RPO Regulations.

d) It is denied that PSPCL is discouraging renewable power and investment in the State of Punjab. PSPCL being a prudent state distribution licensee has to take into consideration numerous factors before entering into a Power Purchase/Sale Agreement i.e., whether the power is economical and commercially prudent and viable.

e) PSPCL is not running away from its obligation, but is only seeking the carry it forward to the next year. In the circumstances, in lieu of saddling the consumers of the State with the cost of buying RECs, PSPCL is opting for procuring actual renewable power. PSPCL has entered into various PPAs/PSAs with the CoD in FY 2022-23 and onwards. The addition of Renewable power to the tune of 825 MW is in the commissioning stages and further 6420MW is in the pipeline.

f) In the Tariff Order dated 31.03.2022, the Commission directed PSPCL to fulfil its RPO shortfall for FY 2021-22 within one month of the issue of said tariff order. It is submitted that as soon as the actual data for FY 2021-22 was available, PSPCL filed the present petition for carrying forward the shortfall of RPO of PSPCL for the FY 2021-22 to FY 2022-23 under relevant rules and regulations. PSPCL is not disobeying in any way the Orders of the Commission; therefore, PEDA's request for imposition of penalty in the present case is wrong and not justified.

g) PSPCL is not attempting to exceed the scope of the present Petition but is only seeking to place on record the relevant/extenuating consideration before the Commission.

7. In the hearing held on 26.10.2022, Learned Counsel for PSPCL stated that in terms of MoP notification dated 22.07.2022, energy procured from all Hydro Power Projects (HPP's) would be considered to meet the RPO compliance under 'other RPO' category w.e.f. FY 2022-23. Accordingly, PSPCL has reworked its RPO compliance calculations and noted that it shall be surplus in the 'other RPO' category for the FY 2022-23 even with the carry forward of the short fall for the FY 2021-22. Ld. Counsel for PSPCL further stated that the draft Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 is fixed for hearing and public hearing on 16.11.2022 before the Commission and finalization of the said Regulations will have a bearing on determination of Renewable Purchase Obligations and therefore the present petition may be listed for a later date which was allowed by the Commission.

8. In the hearing held on 21.12.2022, Ld. Counsel for the parties reiterated their submissions made earlier in the petition. After hearing the parties, Order was reserved with directions that the parties may file written arguments within one week. In response thereof, PSPCL, while referring to the recently notified RPO Regulations, 2022, has filed written submissions summarized below:

   a) On 22.08.2022, PSPCL filed an additional affidavit stating as under:

      " …. PSPCL is also placing on record the RPO Order and Trajectory recommended by the Ministry of Power ('MoP')

on 22.07.2022, which inter-alia, provides that w.e.f FY 2022-23, energy procured from all Hydro Power Projects (HPP) would be considered towards RPO compliance under "Other RPO" category. If the same methodology were adopted by this Hon'ble Commission, then PSPCL would be in compliance with its RPO obligations for FY 2022-23 under "Other RPO" category (even assuming that the carry forward for both Solar & Non-Solar combined of FY 2021-22 is allowed by this Hon'ble Commission in the "Other RPO" category for FY 2022-23),.."

b) In October, 2022, the Commission issued the Draft Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 (Draft RPO Regulation, 2022) on the basis of the recommendations by the Ministry of Power ('MoP'), depicting the RPO targets for FY 2022-23 and onward till FY 2029-30. In response, PSPCL submitted its comments including its views on the implications in respect of the FY 2022-23.

c) In terms of the above and the MoPs Notification dated 22.07.2022, PSPCL reworked the RPO trajectory. Based on the revised trajectory, PSPCL will be surplus in the '*other RPO'* category for the FY 2022-23 even with the carry forward of the shortfall for the FY 2021-22. In this regard, PSPCL filed an additional affidavit on 04.10.2022 wherein PSPCL undertook to comply with the overall consolidated RPO Target of 24.61% for FY 2022-23 along with carry forward of shortfall for both Solar and Non-Solar RPO's for the FY 2021-22.

d) For the period from July to December, PSPCL was estimating and proceeding on the basis of the RPO trajectory given earlier in accordance with the MoP Notification taking into account that the new trajectory will be effective in the FY 2022-23 also. However, on 12.12.2022, the Commission notified the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 (RPO Regulations, 2022), stipulating that the same would come into force from 01.04.2023 onwards.

e) In view of the above, it is submitted by PSPCL that since the new RPO Regulations will only be applicable from FY 2023-24 onwards and the benefit of hydel energy to be counted as RE power will also be effective from 01.04.2023 onwards. PSPCL would be unable to meet the RPO for FY 2022-23, as per the said Regulations notified by the Commission.

f) This is particularly so because the months from October to March are a lean power season in the State of Punjab and PSPCL is already power surplus for the remaining period of the FY 2022-23. Therefore, any endeavor made by PSPCL to procure further renewable power during these months i.e. from December to March will be a wasteful exercise and will also result in an additional burden to the consumer in the State of Punjab. As stated earlier, PSPCL had been proceeding on the assumption that it would be overall RPO compliant for the FY 2022-23 (barring the Wind RPO and HPO).

g) In any event, it is submitted that the estimated power requirement/input energy requirement in the State of Punjab for FY 2023-24 is 65645.84 MUs (Approx.), based on the power consumptions in the State for FY 2020-21 and FY 2021-22 as approved in Tariff Order dated 31.03.2022. Further, in terms of RPO Regulations, 2022, PSPCL is required to achieve the RPO target of 27% of the total input energy in FY 2023-24 which is equivalent to 17724.38 MUs (Approx.). It is submitted that in terms of the above projections, PSPCL is expected to be in RPO surplus by 114.03 MUs for FY 2023-24, even with the carry forward for FY 2021-22 and FY 2022-23.

h) It is submitted that various State Commission such as MSERC in Suo-motu order in case no.180 of 2013, HERC in Petition No. 8 of 2012 and GERC in Suo-Motu Petition No.1219 of 2012 have allowed their distribution licensees to carry forward the shortfall in procurement of renewable energy. The decision of the Gujarat Commission was also upheld by Hon'ble APTEL vide judgment dated 25.04.2014 in Appeal no. 24 of 2013 & IA no. 39 of 2013 in the case of *Indian Wind Energy Association* v. *Gujarat Electricity Regulatory Commission.*

i) Insofar as RECs are concerned, it is submitted that the mandate of fulfilling RPO by relying on purchase of REC's is premised on sound principles of economics. This was considered in the judgment of the Hon'ble Appellate Tribunal in the case of *Indian Wind Power Association* v. *Gujarat Electricity Regulatory Commission*, 2015 SCC OnLine APTEL 105, which inter-alia reads as under:

> *"32. ……. An obligated entity has option to fulfill its RPO either by fully procuring renewable energy in physical form or fully by purchasing REC or partly in physical form and partly REC. However, the option has to be exercised based on sound economic principles. In case of distribution licensees, the State Commission while approving compliance of RPO has*

to consider that the distribution licensee has exercised its option prudently."

j) It is submitted that to purchase RECs equivalent to the remaining shortfall of RPO Compliance, the financial impact of the same would be too high on the consumers. The cost estimate for purchasing the RECs as per prevailing market rates of Energy Exchanges (i.e. IEX & PXIL) to meet the projected shortfall of 667.81 MUs (Solar) and 2764.06 MUs (Non Solar) would amount to Rs. 350 Crore (approx.). This would lead to unnecessary burden on the consumers, when PSPCL is stated to be in surplus for the FY 2023-24 onwards.

k) Therefore, if the Hon'ble Commission, alongwith carry forward of shortfall of FY 2021-22 to 22-23, also allows PSPCL to comply with the RPO Compliance of FY 2022-23 in the FY 2023-24, then as per the latest projections, PSPCL would be in a position to cope up with the RPO targets upto FY 2023-24. As explained above, it is expected that PSPCL would be overall surplus by 3545.90 MUs for FY 2023-24. After adjusting the shortfall of previous financial years, PSPCL is expected to be surplus by 114.03 MUs by the FY 2023-24.

l) Further, in the case of M/s Green Energy Association Vs. Chattisgarh State Electricity Regulatory Commission and Ors. [2019 SCC OnLine Aptel 87] decided on 21.08.2019 in Appeal Nos. 106 of 2016 and 65 of 2017, Hon'ble APTEL, while dealing with the power of the State Commissions to consider the carry forward of RPO concluded as under:

"9.40 In the present case, the Appellant is primarily aggrieved that if RPO would have been enforced to the set targets, some more RECs

would have been sold/purchased and would have provided some financial gain to the Appellant association members. It is relevant to note that the REC mechanism has been devised to strike a balance between the States having large potential and States having less or no renewable energy sources. Besides, the trading of RECs is done on all India basis and the obligated entities are free to sell/purchase such certificates from anywhere across the country. ***In an ideal case, as per the National Tariff Policy, the State Regulatory Commission are required to enforce the RPO compliance by monitoring the same on real time basis but, while deciding the matter relating to RPO, the Commission is also required to keep in mind the difficulty being faced by the licensee, impact on retail tariff, availability of RECs in the market, etc****."*

m) The above factors may be accounted for by the Commission and in the interest of consumers of the State it may consider to allow PSPCL to comply with cumulative RPO obligations of FY 2022-23 (after carry forward of shortfall of FY 2021-22) during FY 2023-24 as per targets specified in the new Regulations.

9. **Findings and Decision of the Commission**

The Commission has carefully gone through the petition, reply of PEDA, rejoinder and undertakings by the Petitioner and arguments made by the parties. The Commission observes that the issues raised by PEDA have been addressed adequately by the Petitioner. The Petitioner's plea is that inspite of its best efforts; it could not achieve the RPO targets for FY 2021-22 mainly because the basis and premise of projections for FY 2021-22 were upset on account of the peculiar nature of COVID-19 and its impact on demand/supply of energy. In its endeavor to comply with the renewable purchase obligation, it has entered into various PPAs/PSAs with the CoD in FY 2022-23 and onwards. The addition of Renewable power to the tune of 825 MW is in various stages of implementation prior to commissioning and a further 6420MW is in planning and pipeline as per PSPCL's submissions. Also, it is purchasing power from G-DAM whenever it is commercially viable. The Petitioner further submitted that pursuant to the RPO Trajectory recommended by the Ministry of Power ('MoP') on 22.07.2022, the Commission issued the Draft Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 depicting the RPO targets for FY 2022-23 and onward till FY 2029-30 on the basis of the MoP recommendations. That, in terms of the above the Petitioner reworked its RPO compliance, which comes out to be surplus for the 'other RPO' category for the FY 2022-23, even after accounting for the carry forward of the shortfall for the FY 2021-22. An affidavit was also filed in this regard, wherein, the Petitioner undertook to comply with the overall consolidated RPO Target of 24.61% for FY 2022-23 along with carry forward of shortfall in RPO compliance for the FY 2021-22. For the period up to December, the Petitioner was proceeding on this assumption that the new RPO Regulations shall be made applicable for FY 2022-23 as well and accordingly it would be overall RPO compliant for the FY 2022-23 itself (barring the Wind RPO and HPO). However, the Commission has notified the new Regulations stipulating that the same would come into force from 01.04.2023 onwards. The Petitioner submitted that in light of the fact that the new RPO Regulations will be applicable only after FY 2022-23 and the benefit of hydel energy to be counted as RE power will also be effective only from 01.04.2023 onwards; PSPCL would not be able to meet the RPO target for FY

2022-23 under the old Regulations. This is particularly so because the months from October to March are a lean power season in the State and it is already surrendering the surplus power during this period of the year. Therefore, any endeavor made by the Petitioner to procure any additional renewable power during the months from December to March will result in causing substantial financial burden to the consumer in the State. It is submitted that the estimated power requirement/input energy requirement in the State of Punjab for FY 2023-24 is projected to be 65645.84 MUs (Approx.) based on the power consumptions in the State for FY 2020-21 and FY 2021-22 as approved in Tariff Order dated 31.03.2022. In terms of RPO Regulations, 2022, PSPCL is required to achieve RPO target of 27% of the total input energy in FY 2023-24 which is equivalent to 17724.38 MUs (Approx.). The Petitioner has submitted that based on the above projections, it is expected to be in RPO surplus by 114.03 MUs for FY 2023-24, even with the carry forward for FY 2021-22 and FY 2022-23.

The Commission observes that the Petition for carry over of RPO compliance to next year has been filed by the Petitioner under Regulation 3(2), 6(2) and 7 of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2011, which reads as under:

> *"3(2) The Commission may, either on its own motion or on recommendation of the State Agency or on receipt of an application from the obligated entity, revise the percentage targets specified hereinabove, for any year, as deemed appropriate.*
>
> *………………..*

6(2) ………..Provided that in case of genuine difficulty in complying with the renewable purchase obligation because of non-availability of certificates or otherwise, the obligated entity can approach the Commission for carrying forward of compliance requirement to the next year;

Provided that on being so approached, the Commission may review the fulfillment of the renewable purchase obligation by the obligated entity, keeping in view its performance and allow the shortfall to be carried forward to the next year in addition to the renewable purchase obligation for that year….

…………….

7. Inherent powers of the Commission

Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of process envisaged in these Regulations."

As is evident Regulation 3(2) pertains to the revision of the percentage targets specified for any year, which is not the case in the instant petition. However, Regulation 6(2) specifies that, in case of genuine difficulty in complying with the RPO, the obligated entity can approach the Commission for carrying forward of compliance requirement to the next year. On being so approached, the Commission may review the fulfilment of the RPO by the obligated entity and keeping in view its performance may allow the shortfall to be carried forward to the next year in addition to the renewable purchase obligation for that year. Regulation 7 pertains to the inherent Powers of the Commission, which are generally exercised where interest of the public at large is involved.

In the instant case, the interest of the public at large is obvious since the consumers of the State are directly impacted by the financial implications of RECs procurement, in case the carryover of RPO shortfall is disallowed. The financial burden based on the prevailing market rates has been projected to be of about Rs. 350 Crore. The Commission also Refers to Hon'ble APTEL's observation made in Order dated 21.08.2019 in the case of M/s Green Energy Association vs. Chhattisgarh State Electricity Regulatory Commission and Ors. (Appeal Nos. 106 of 2016 and 65 of 2017), which reads as under:

> *"9.40 In an ideal case, as per the National Tariff Policy, the State Regulatory Commission are required to enforce the RPO compliance by monitoring the same on real time basis but, while deciding the matter relating to RPO, the Commission is also required to keep in mind the difficulty being faced by the licensee, impact on retail tariff, availability of RECs in the market, etc."*

Taking a holistic view, the Commission does not find it prudent to disallow the carryover of the RPO shortfall to the next year, particularly when the Petitioner is projecting that it will be surplus for the FY 2023-24. The Commission also reviews the fulfilment of the targeted renewable purchase obligation by the Petitioner as mandated under Regulation 6(2), which is as under:

		2019-20			**2020-21**			**2021-22**		
		Solar	Non-Solar	**Total**	Solar	Non-Solar	**Total**	Solar	Non-Solar	**Total**
Input		38427			42677			48434		
Target	%	4.00	5.50	9.50	3.3	4.7	8.0	5.0	7.7	12.7
	MU	1537	2114	3651	1408	2006	3414	2422	3729	6151
Achieved by PSPCL	MU	1545	1794	**3339**	1740	2411	**4151**	1998	2724	**4722**

The Commission observes that the Petitioner's endeavor is evident from the incremental achievement of RPO compliance in terms of MU, which is 3339, 4151 and 4722 for the last three years. Thus keeping in view the effort and progress made, the potential impact on the retail tariff/interest of the consumers of the State and the Petitioner's submission that it is expecting to achieve more than the specified RPO target of 27% in FY 2023-24, even with the carry forward for FY 2021-22 and FY 2022-23, the Commission allows the Petitioner to carry forward its RPO shortfall for FY 2021-22 and 2022-23 to FY 2023-24.

The petition is disposed of accordingly.

Sd/-	Sd/-
(Paramjeet Singh)	(Viswajeet Khanna)
Member	Chairperson

Chandigarh
Dated: 06.01.2023