

No. 23/03/2016-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, New Delhi,
Dated, the 29th January, 2021

ORDER

Subject: Renewable Purchase Obligation (RPO) trajectory - regarding.

1. In exercise of the powers conferred under section 3(3) of Electricity Act, 2003, the Central Government had notified the revised Tariff Policy, which was published in Gazette of India, Extraordinary, Part-I, Section-1 dated 28.01.2016.
2. Para 6.4(1) of the Tariff Policy 2016 provides as follows:

"Pursuant to provisions of section 86(1)(e) of the Act, the Appropriate Commission shall fix a minimum percentage of the total consumption of electricity in the area of a distribution licensee for purchase of energy from renewable energy sources, taking into account availability of such resources and its impact on retail tariffs. Cost of purchase of renewable energy shall be taken into account while determining tariff by SERCs. Long term growth trajectory of Renewable Purchase Obligations (RPOs) will be prescribed by the Ministry of Power in consultation with MNRE.

Provided that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs."
3. In light of para 6.4(1) of the Tariff Policy 2016, and with the objective of creating renewable power capacity of 175 GW by March, 2022; the Ministry of Power, after consultation with Ministry of New and Renewable Energy, had notified the long term trajectory of Renewable Purchase Obligations (RPOs) for solar and non-solar power vide its orders dated 22nd July 2016 and 14th June 2018.
4. On 8th March 2019, the Government had issued an order detailing various policy measures to promote hydropower sector in India inter-alia declaring large hydropower projects including pumped storage projects having capacity of more than 25 MW (LHPs) which come into commercial operation after 8.3.2019 as renewable energy source and to specify Hydropower Purchase Obligation (HPO) within Non-Solar Renewable Purchase Obligation (RPO).
5. In compliance of the above decision and with the objective to add 30,000 MW of hydropower capacity by the year 2029-2030, Ministry of Power has prepared a revised trajectory of RPO including long term trajectory for HPO considering the LHPs commissioned after 8th March, 2019.
6. In super-session of orders dated 22nd July 2016 and 14th June 2018, the Ministry of Power hereby specifies the following RPO Trajectory-



Year	Solar RPO	Non-Solar RPO			Total RPO
		HPO	Other Non-Solar RPO	Total Non-Solar RPO	
2019-20	7.25%	-	10.25%	10.25%	17.50%
2020-21	8.75%	-	10.25%	10.25%	19%
2021-22	10.50%	0.18%	10.50%	10.68%	21.18%
2022-23	To be specified later	0.35%	To be specified later	To be specified later	To be specified later
2023-24		0.66%			
2024-25		1.08%			
2025-26		1.48%			
2026-27		1.80%			
2027-28		2.15%			
2028-29		2.51%			
2029-30		2.82%			

7. RPO shall be calculated in energy terms as a percentage of total consumption of electricity excluding consumption met from hydro sources (LHPs).

8. Solar RPO may be met by power produced from solar power plants – solar photo voltaic or solar-thermal.

9. Other Non-Solar RPO (excluding HPO), may be met from any renewable source other than solar and LHPs.

10. HPO benefits may be met from the power procured from eligible LHPs commissioned on and after 8.3.2019 and upto 31.03.2030 in respect of 70% of the total generated capacity for a period of 12 years from the date of commissioning. Free power is to be provided as per agreement with the State Government and that provided for Local Area Development Fund(LADF), shall not be included within this limit of 70% of the total generated capacity.

11. HPO liability of the State/ Discom could be met out of the free power being provided to the State from LHPs commissioned after 08.03.2019 as per agreement at that point of time excluding the contribution towards LADF if consumed within the State/Discom. Free power (not that contributed for Local Area Development) only to extent of HPO liability of the State/Discom, shall be eligible for HPO benefit.

12. In case the free power, as above, is insufficient to meet the HPO obligations, then the State would have to buy the additional hydro power to meet its HPO obligations or may

have to buy the corresponding amount of Hydro Energy Certificate to meet the non-solar hydro renewable purchase obligations.

13. The Hydro Energy Certificate mechanism under Regulation to be developed by CERC to facilitate compliance of HPO Obligation, would have a capping price of Rs.5.50/Unit of electrical energy w.e.f 8th March 2019 to 31st March, 2021 and with annual escalation @5% thereafter for purposes of ensuring HPO compliance.

14. The above HPO Trajectory shall be tried up on an annual basis depending on the revised commissioning schedule of Hydro projects. The HPO Trajectory for the period between 2030-31 and 2039-40 shall be notified subsequently.

15. Hydro power imported from outside India shall not be considered for meeting HPO.

16. On achievement of Solar RPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess non-solar energy consumed beyond specified Non-Solar RPO for that particular year. Similarly, on achievement of Other Non-Solar RPO compliance to the extent of 85% and above, remaining shortfall if any, can be met by excess solar or eligible hydro energy consumed beyond specified Solar RPO or HPO for that particular year. Further, on achievement of HPO compliance to the extent of 85% and above, remaining shortfall, if any, can be met by excess solar or other non-solar energy consumed beyond specified Solar RPO or Other Non-Solar RPO for that particular year.

17. POSOCO will maintain data related to compliance of RPOs.

18. Further the SERCs may consider to notify RPO trajectory including HPO for their respective States in line with aforesaid RPO trajectory. Moreover CERC may consider to devise suitable mechanism similar to Renewable Energy Certificate (REC) mechanism to facilitate fulfillment of HPO.

19. This issues with the approval of Minister of State (I/C) for Power.



(Ghanshyam Prasad)

Joint Secretary to the Government of India

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To

1. Principal Secretary/Secretary (Power / Energy), State Governments/UTs.
2. Secretary, CERC/FOR, Chanderlok Building, Janpath, New Delhi
3. Secretary, State Electricity Regulatory Commissions/Joint Electricity Regulatory Commissions

Copy to:

1. Secretary, MNRE, CGO Complex, New Delhi
2. Chairperson, CEA, Sewa Bhawan, RK Puram, New Delhi

Copy also for information to:

1. All Joint Secretaries, Ministry of Power
2. PS to MOS (I/C) for Power & NRE and MoS for SDE.
3. Sr. PPS to Secretary (Power), PPS to AS(SKGR), PPS to AS(VKD), Sr.PPS to Sr. Advisor, Sr. PPS to JS (R&R), PS to DS(R&R)