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GOVERNMENT OF INDIA
MINISTRY OF POWER

RESOLUTION

New Delhi, the 20th January, 2011

F.No.23/17/2009-R&R — In this Ministry's Resolution F.No. 23/2/2005-R&R (Vol. III) dated 6th January, 2006 published in the Gazette of India (Extraordinary), Part I, Section 1, notifying the Tariff Policy under the provisions of Section 3 of the Electricity Act 2003, which was subsequently amended vide Resolution dated 31st March, 2008, the following amendment is hereby made:

The following provisions will replace the title of Para 6.4 and contents of Para 6.4 (1) :

“6.4 Non-conventional and renewable sources of energy generation including co-generation :

(1) 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 such sources, taking into account availability of such resources in the region and its impact on retail tariffs. Such percentage for purchase of energy should be made applicable for the tariffs to be determined by the SERCs latest by April I, 2006.

- (i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification in the Official Gazette which will go up to 0.25% by the end of 2012-2013 and further up to 3% by 2022
- (ii) It is desirable that purchase of energy from non-conventional sources of energy takes place more or less in the same proportion in different States. To achieve this objective in the current scenario of large availability of such resources only in certain parts of the country, an appropriate mechanism such as Renewable Energy Certificate (REC) would need to be evolved. Through such a mechanism, the renewable energy based generation companies can sell the electricity to local distribution licensee at the rates for conventional power and can recover the balance cost by selling certificates to other distribution companies and obligated entities enabling the latter to meet their renewable power purchase obligations. In view of the comparatively higher cost of electricity from solar energy currently, the REC mechanism should also have a solar specific REC.
- (iii) It will take some time before non-conventional technologies can compete with conventional sources in terms of cost of electricity. Therefore, procurement by distribution companies shall be done at preferential tariffs determined by the Appropriate Commission.”

ASHOK LAVASA, Addl. Secy.