

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.16 C-1, Miller Tank Bed Area, Vasanthanagara,
Bengaluru-560052

Dated 25th March, 2024

Present:

Sri P. Ravikumar	-	Chairman
Sri H.K. Jagadeesh	-	Member (Legal)
Sri. Jawaid Akthar	-	Member

In the Matter of Truing up of Average Pooled Power Purchase Cost [APPC] for the Financial Year 2023-24 and notifying provisional APPC for the Year 2024-25-reg.

Preamble:

1. The KERC vide Gazette notification dated 06.04.2023, had notified the average pooled cost of power purchase (APPC) under Clause 7(c) of the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, at Rs.4.25/unit for the financial year 2023-24, subject to truing up as per the actuals. The ESCOMs have finalized their Accounts for the financial year 2022-23 and based on the same, the average pooled power purchase cost for the year 2023-24 works out to Rs.4.93/unit.
2. The Commission has also notified the seventh amendment to its RE Regulations, which has come into effect from 6th December,2019. As per the above amendments, a generating company opting for REC mechanism, has to sell the electricity generated to ESCOMs at the pooled cost of power purchase of the State or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year, whichever is lower. Thus, during FY24, the ESCOMs for the energy supplied from 01.04.2023 to 31.03.2024, have to pay for the electricity purchased from RE generators opting for REC mechanism, at lower of the pooled cost of power purchase of the State or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year. Accordingly, for FY24, the difference of lower of the pooled cost of power purchase of the State of Rs. 4.25 per unit or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year already paid

by ESCOMs to the Generators selling to them under REC mechanism and the lower of the revised APPC of Rs.4.93/unit or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year shall be paid/received by ESCOMs for the energy supplied from 01.04.2023 to 31.03.2024.

3. The Commission now has to notify the APPC for the year 2024-25 also. As it would take some time for the ESCOMs to finalize the power purchase quantum and cost for the financial year 2023-24, as an interim measure, it is proposed to adopt Rs. 4.93 per unit as the APPC for the 2024-25. However, for FY25, the ESCOMs shall bill the RE generators selling to them under REC mechanism at lower of Rs.4.93/unit or 75% of the Generic tariff determined by the Commission for FY25, for the respective RE source.

Hence, the following order:

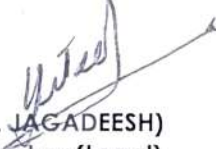
ORDER

- i. In exercise of the powers conferred under Clause 7(c) of the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, for the purpose of Renewable Energy Certificate (REC), the Karnataka Electricity Regulatory Commission, hereby, notifies the APPC at Rs.4.93/unit for the financial year 2024-25 with effect from 01.04.2024, which is subject to truing up, as per the actuals.
- ii. In accordance with the KERC (Procurement of Energy from Renewable Sources) (Seventh Amendment) Regulations, 2019, for FY25, the ESCOMs shall bill the RE generators selling to them under REC mechanism at lower of Rs.4.93/unit or 75% of the Generic tariff determined for FY25 by the Commission, for the respective RE source, which is subject to truing up of APPC for FY25.
- iii. Having regard to the fact that the actual APPC is at Rs.4.93 per unit as against the provisional APPC of Rs.4.25 per unit for the financial year 2023-24 and consequent to notification of KERC (Procurement of Energy from Renewable Sources) (Seventh Amendment) Regulations, 2019, the difference of lower of

the pooled cost of power purchase of the State of Rs.4.25 per unit or at 75% of the Generic tariff determined by the Commission for the respective RE source for the relevant year already paid by ESCOMs to the Generators selling to them under REC mechanism and the lower of the revised APPC of Rs.4.93/unit or at 75% of the Generic tariff determined by the Commission for the respective RE source for the relevant year, shall be paid/received by ESCOMs in three equal installments, for the energy supplied from 01.04.2023 to 31.03.2024.



(P. RAVIKUMAR)
Chairman



(H.K. JAGADEESH)
Member (Legal)



(JAWAID AKTHAR)
Member