



## Renewable energy mandatory for all utilities

Chittaranjan Tembhekar, TNN Aug 29, 2013, 09:53PM IST

MUMBAI: On July 22, the Maharashtra Electricity Regulatory Commission (MERC) issued a landmark order for enforcement of Renewable Purchase Obligations (RPOs) in the State. The Commission has ordered 93 Obligated Entities, mostly heavy power guzzlers such as industries and suppliers, in Maharashtra to demonstrate compliance to RPO targets for 4 years (from FY 2010-11 to FY 2013-14 cumulatively) by 31st March 2014 or face requisite fines that could be as high as ₹13.40/unit.

This order is the strongest initiative to date towards enforcement of RPOs by any Electricity Regulatory Commission (ERC) in the country. The order assumes even greater significance given that Maharashtra is amongst the largest energy producing and consuming States in India and is considered to set industry benchmarks which are adopted by other ERCs by March 2014. The Obligated Entities currently named in the order will be required to add approximately 400 MW of solar capacity in Maharashtra.

Reacting to the announcement Astonfield Co-Chairman Ameet Shah said, "This announcement is a fundamental game changer for the Indian solar industry. RPOs are essential to installing more power; alleviating shortages and helping our [economy](#) run at full speed. The State of Maharashtra, one of the leading industrial states in the country, making such a big policy move towards enforcement confirms explicitly that the pricing for solar is now within an acceptable range for all users and non-compliance will not be tolerated any longer. The significance of this Order is that such enforcement will lead to a sustained demand for solar power through 2022 when the Solar RPO target is confirmed at 3% for all consumers. Moreover, it is expected that this initial list will expand at least 4-5 times in the coming year, correspondingly multiplying the market opportunity. The estimated total size for solar in India based on this policy is approximately 35,000 MW."