IN THE JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION AT RANCHI

Case No. 37 of 2025

M/S Usha Martin Limited ……….. Petitioner

Versus

Jharkhand Renewable Energy Development Agency…………….. Respondent

CORAM: HON'BLE MR. JUSTICE NAVNEET KUMAR, CHAIRPERSON
HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)

For the Petitioner : Mr. M. S. Mittal, Senior Advocate
For the Respondent : Mr. Rupesh Singh, Standing Counsel, JREDA

ORDER

Date – 27th August, 2026

1. The Petitioner – Usha Martin Limited, has preferred the present application under Regulation 15.2 Of the Jharkhand State Electricity Regulatory Commission (Renewable Energy Purchase Obligation and its compliance) Regulations, 2016.
2. The Prayers of the Petitioner are as under: -
   (a) For a direction upon the Respondent—JREDA to revise the demand raised towards Renewable Purchase Obligation (RPO), by excluding any additional electricity generated through co-generation, in terms of and in conformity with the order dated 06.01.2021 passed in case No. 21 of 2019, TSL versus JREDA and analogous matters by this Commission.
   (b) For a grant of extension of four months time from the date of receipt of the revised calculation from the Respondent— JREDA to enable the Petitioner to comply with its Renewable Purchase Obligation (RPO) by procuring the requisite Renewable Energy Certificates (RECs) and to discharge the outstanding dues, if any, arising therefrom, in relation to its Jamshedpur plant.

Submissions of the Petitioner

3. The Petitioner Company is engaged in the business of manufacturing wire ropes and Specialty Products. The Petitioner is engaged in manufacturing wire ropes and specialty products, which require uninterrupted electricity supply. And that the respondent is a state government agency, under the government of Jharkhand.
4. That in furtherance of the objectives of promoting renewable energy, protecting the environment, and aligning with evolving national energy goals, the Jharkhand State Electricity Regulatory Commission (JSERC), Ranchi, has on 28.09.2016 notified JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016, to mandate the procurement of electricity from renewable energy sources by obligated entities within the State. These regulations aim to reduce dependency on fossil fuels, promote sustainable energy practices, and establish a robust compliance mechanism, including the purchase of Renewable Energy Certificates (RECs). This regulation has been last Amended in the year 2024.
5. The relevant provisions pertaining to Captive Users and Open Access Consumers under the aforesaid JSERC (Renewable Energy Purchase Obligation and its Compliance) Regulations, 2016, are reproduced hereinbelow :

   "*A9 CAPTIVE USER (S) AND OPEN ACCESS CONSUMER (S)*

   9.1Every Captive and Open access consumer(s)/ user(s) shall have to submit necessary details regarding total consumption of electricity under Captive User/ Open Access and purchase of energy from renewable energv sources for fulfilment of RPO on quarterly basis to the State Agency.

   9.2 Captive and Open access Consumer(s)/ User(s) shall purchase renewable energy as a proportion of Captive User/ Open Access consumption as stated in Clause 5.2 Of these Regulations. If the Captive user(S) and Open Access consumer(s) fails to fulfil the criteria, the shortfall of the targeted quantum would attract 9.3 6 payment of regulatory charge as per 10.4 and 10.6 of these Regulations.

   9.3 Captive/ Open Access consumer(s)/ User(s) may fulfil the RPO through the procurement of Renewable Energy Certificate as provided in Clause 6.1, 6.2 and 6.3 of these Regulations."

6. The core issue in the present matter is that the Respondent JREDA is

imposing RPO obligations on the additional electricity generated by the Petitioner through co-generation, which is in direct contravention of the Order dated 06.01.2021 passed in Case No. 21 of 2019, TSL v. JREDA and analogous matters, by this Commission.

7. The Respondent-JREDA had sent a letter dated 24.03.2025 to the Petitioner directing the Petitioners to take necessary steps to fulfil the Renewable Purchase Obligation (RPO) targets by 31.03.2025, in accordance with the reconciled data, and to submit the Renewable Energy Certificates (RECs) with the compliance.
8. The Petitioner had sought an extension of 6 months to make payment towards the RPO Obligation for the period up to 2023-24 and, in this regard, filed Case No. 08/2025 before this Commission. This Hon'ble Commission, upon consideration, was pleased to grant an extension of 4 months for compliance vide Order dated 09.05.2025 thereby extending the last date of compliance to 08.09.2025.
9. Further, vide letter dated 03.04.2025 addressed to the REG. 3/25 Respondents, the Petitioners proposed certain measures for resolution of the matter and requested to recalculate the RPO demand as per the norms decided by this Hon'ble Commission. It is submitted that the reply of this letter is still awaited.
10. The Petitioner's Plant at Jamshedpur, the energy consumed comprises both, power drawn from Jharkhand Bijli Vitran Nigam Limited (JBVNL) and the energy generated and consumed from the Petitioner's Own Waste Heat Recovery Power Plants, with a total installed capacity of 80 MW.
11. The petitioner submits that it has been emphatically stated in the Order dated 06.012021in Case No. 21 of 2019, TSL Versus JREDA, that for additional electricity produced through co-generation, the Petitioner ought not to be fastened with the Renewable Purchase Obligations.
12. It is further submitted that the Petitioner is operating a Cogeneration Plant (Combined Heat and Power-CHP), wherein both electricity and usable heat are simultaneously generated from a single energy source.
13. By utilizing this Cogeneration technology, the Petitioner not only ensures optimum utilization of energy resources but also substantially reduces greenhouse gas emissions, thereby contributing to improved environmental standards and compliance with the sustainable energy objectives recognized by this Hon'ble Commission.
14. Pursuant to the Order dated 09.052025 passed in Case No. 08/2025,

the Petitioner has already purchased 1,37,000 REC's with respect of the Ranchi Plant, thereby discharging and in fact 21.14 exceeding the REC obligation of the said Plant. However, the Petitioner could not comply with the Renewable purchase Obligation pertaining to the Jamshedpur Plant, which remained with the Petitioner Company up to the year 2018-2019, and was thereafter sold to MIS Tata Steel Long Products Ltd. (TSLPL). The non-compliance arose solely due to the absence of a revised calculation, which the Petitioner expected to receive within the stipulated time, i.e. on 08.09.2025.

15. It is further submitted that the Petitioner is willing and intends to comply with the Renewable Purchase Obligation (RPO) requirements in relation to its Jamshedpur Plant. However, such compliance can Only be undertaken after a correct and lawful recalculation Of the RPO obligations, excluding the electricity generated through co-generation from being fastened with RPO. This position has already been clarified by this Hon'ble Commission in its detailed judgment dated 06.01.2021 passed in Case NO. 21 Of 2019, Tata Steel Ltd. v. JREDA and analogous matters.

16. The petitioner submits that upon issuance of the revised calculation by the Respondent— JREDA, the Petitioner respectfully submits that a reasonable period of four months may be granted to enable it to procure the requisite RECs and discharge the recalculated obligation pertaining to the Jamshedpur Plant. The Petitioner has already demonstrated its bona fides by fully complying with, and in fact exceeding, the RPO obligations of the Ranchi Plant, and assures this Hon'ble Commission of its readiness to similarly comply with the Jamshedpur obligations once the lawful recalculation is made.

REPLY OF THE RESPONDENT

17. The respondents submits that the main question to be looked into is whether the Petitioner employs any fossil fuel in its Co-Generation Plant. However, the Petitioner is completely silent on the methodology of Co-Generation. It is stated that waste heat recovery process results in depletion of gaseous temperature which is unfit in co- generation and to make it reusable. The use of fossil fuel is made to maintain the thresh-hold temperature necessary for co-generation, thereby it cannot be treated at par with renewable energy. Hence in the submission of the respondent. Such Co-Generation should neither qualify for RPO compliance nor should it be treated as renewable energy.

18. The respondent submits that Cogeneration Plants like that of the petitioner, based upon fossil fuel cannot be treated equivalent to Renewable Energy sources and that the petitioner has to comply the energy requirement from renewable sources and therefore is an obligated entity to purchase the RPO.

Commission's Observation and findings

19. The Commission has taken into consideration all the submissions made by the parties and perused the materials available on records and has come to the following observations:

20. The Commission notes that the Hon'ble Appellate Tribunal for Electricity (APTEL) in Lloyds Metal & Energy Ltd. v. Maharashtra Electricity Regulatory Commission & Ors. (Appeal No. 53 of 2012) wherein section 86(1)(e) has been examined and has been held that it was held that the provisions contained in Section 86(1)(e) is for promoting energy from renewable sources alone and the Tariff policy 2016 clause 6.4 (1) states that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs.

21. The Commission further relies upon the Hon'ble APTEL's judgment in ***M/S Green Energy Association versus Jharkhand state electricity regulatory Commission and ors. (Appeal No.382 of 2017)*** wherein reliance has been placed upon Section 86 (1) (e) of the Electricity Act, 2003 indicates that its purpose is not solely to promote standalone co-generation systems but also to encourage both co-generation and electricity generation from renewable energy sources.

    Section 86(1)(e) reads as follows:

    > *" promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee."*

    The Hon'ble APTEL in para 50 of its Judgment has placed emphasis upon the judgment passed in :

    *"**Llyod Metal and Energy Limited vs. MERC and Ors.** dated 02.12.2013 (Appeal No. 53 of 2012) the provisions contained "Section 86(1)(e) are for promoting energy from renewable sources alone and the Tariff policy 2016 clause 6.4 (1) states that cogeneration from sources other than renewable sources shall not be excluded from the applicability of*

RPOs.

Electricity generated, from fossil fuel based co-generation plants, is not generation from non-conventional sources of energy or renewable sources of energy."

In para 55 of the judgment the Hon'ble APTEL observes the following:

(i)Electricity generated, from fossil fuel-based co-generation plants, is not a generation from non-conventional sources of energy or renewable sources of energy,

(ii) "co- generation", as defined in Section 2(12) of the Electricity Act, cannot be termed as a source of electricity like renewable sources of energy".

iv) RPO obligations can, therefore, be fastened on captive power consumers, and

(v) Such RPO obligations, to procure and consume power from renewable sources of energy, can neither be adjusted nor set off against the quantum of power consumed from co-generation plants based on fossil fuel.

22. The Order dated 06.01.2021 passed in Case No. 21 of 2019 TSL Versus JREDA and analogous matters reveals that the Commission had expressly held that electricity generated through co-generation cannot be considered at par with renewable energy. The relief granted in the said Order was confined to the specific facts and issues involved therein and cannot be construed as a direction for blanket exclusion of electricity generated through co-generation or Waste Heat Recovery Plants from the computation of RPO liability. The Commission further notes that the Petitioner has not placed on record sufficient plant-wise generation data, fuel consumption details or any cogent material demonstrating that the methodology adopted by JREDA in determining the RPO obligation is contrary to the applicable Regulations. In the absence of any regulatory violation, computational error or material irregularity in the demand raised by JREDA, the Commission finds no justification to reopen or revisit the RPO calculations already undertaken by the Respondent.
23. Further, the Hon'ble APTEL in its judgment in ***M/S Green Energy Association versus Jharkhand state electricity regulatory Commission and ors. (Appeal No.382 of 2017)*** has pointed out in para 53 of its judgment that:

"It is categorically held that the State Commission has erred in

exempting Respondent No. 2 from its obligation of purchasing RECs to the extent that it had complied with its RPO obligations through its captive co generating power plant."

24. The Commission further observes that Petitioner had sought an extension of 6 months to make payment towards the RPO Obligation for the period up to 2023-24 and in this regard, had filed Case No. 08 of 2025 before this Commission. This Commission, upon consideration, was pleased to grant an extension of 4 months for compliance vide Order dated 09.05.2025(Case No.08 of 2025), thereby extending the last date of compliance to 08.09.2025, In view of the extension already granted by this Commission, and having regard to the time afforded for compliance, no further extension of time is considered warranted in view of categorical provisions of Regulations and mandate of the provisions of the Electricity Act, 2003.

ORDER

25. Upon consideration of the submissions made by the parties, the materials available on record and in exercise of the powers conferred under the Electricity Act, 2003 and the applicable provisions of the JSERC Regulations, the Commission is of the considered view that no infirmity is discernible in the methodology adopted by JREDA warranting any re-computation or recalculation of the RPO liability of the Petitioner. The Commission further holds that cogeneration plants, such as that of the Petitioner, operating on fossil fuel cannot, by their very nature, be equated with or treated at par with Renewable Energy sources for the purpose of discharge of Renewable Purchase Obligations.
26. Accordingly, the Petitioner remains under an obligation to meet the applicable energy requirement from Renewable Energy sources and is, therefore, an Obligated Entity liable to fulfil the corresponding RPO through procurement of Renewable Energy in accordance with the applicable regulatory framework.
27. The Commission is further of the view that the mere fact that the Petitioner has sought re-computation of its RPO liability cannot, by itself, confer any vested or continuing right upon the Petitioner to seek repeated or successive extensions of time for compliance. More particularly, the RPO liability in question pertains to the previous period from FY 2010-11 to FY 2018-19, and sufficient opportunity has already been afforded to the Petitioner for fulfilling the said statutory obligation, but the

petitioner filed to adhere the earlier order passed by the Commission. Further, it appears from the prayers of petitioner as set out in the petition that the petitioner is praying exception as well as extension of time for discharging its obligation of RPO at the same time which is not tenable in the eyes of law.

28. In the aforesaid facts and circumstances, and having regard to the nature and vintage of the outstanding RPO obligation, the Commission is not inclined to accede to the request of the Petitioner for grant of a further extension of four months for compliance. The prayer for further extension is, accordingly, liable to be rejected and the petitioner is directed to comply with Renewable Purchase Obligations (RPO) as per relevant Regulations within one month of the communication of this Order.

29. Therefore, with the above observations and directions, the instant Petition hereby stands rejected and is accordingly **disposed of**.

Sd/-	Sd/-
Member (L)	Chairperson