

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 5/SM/2016

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order : 20th of September, 2016

In the matter of

Non-compliance of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009.

And

In the matter of:

DLF Energy Private Limited
DLF Gateway Tower, 7th Floor, DLF City,
Phase-III, Gurgaon- 122002, Haryana

...Respondent

The following were present:

Shri Manu Seshadri, Advocate, DLF

Shri Alok Shanker, Advocate, DLF

ORDER

As per Regulation 7 (n) and 14 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009 as amended from time to time (Trading Licence Regulations), the licensee is required to undertake trading in electricity and failure to undertaking trading in electricity will render the licence liable for revocation. The Commission vide order dated 28.4.2016 directed the respondent to file its response as to why its inter-State trading licence should not be revoked for non-compliance of the provisions of the

Regulation 7 (n) of the Trading Licence Regulations and the Commission's direction.

Relevant portion of the said order dated 2.4.2016 is extracted as under:

“2. It is noted that the respondent is not undertaking trading in electricity as per Regulation 7 (n) of the Trading Licence Regulations. In accordance with the Regulation 14 of the Trading Licence Regulations, where the licensee in the opinion of the Commission, makes wilful and prolonged default in doing anything required of him by or under the Act or the Rules or the Regulations, the Commission may revoke the licence after serving a notice of not less than three months. We are of the view that the respondent has not only failed to comply with our directions but has also failed to comply with the provisions of the Trading Licence Regulations. In our view, the licensee is not entitled to hold the licence when it has consistently failed to undertake trading of electricity in violation of Regulation 7 (n) of the Trading Licence Regulations. Accordingly, we direct the respondent to file its response within a period of one month as to why its licence should not be revoked for non-compliance of the Commission's direction and for failure to undertake trading in electricity. This order shall also be treated as notice under Regulation 14 (2) of the Trading Licence Regulations and the licence of the licensee shall be revoked after expiry of the period of three months from the date of issue of this order after giving an opportunity of hearing to the licensee”

2. The respondent, vide its affidavit dated 27.5.2016, has submitted as under:

(a) DLF is very serious to undertake trading in electricity and is investing time and capital in this regard. In view of the huge in-house demand, existing relationship with the utilities, its manpower competence and geographical presence across India with commitment to provide best quality lifestyle to occupants of its various buildings including certain IT-SEZs, trading licence is proposed to put to good use by the licensee.

(b) The respondent has entered into a Memorandum of Understanding (MoU) with M/s ReNew Solar Energy Private Limited on 29.1.2016 for off-take of 25 MW solar power from its under construction solar generating station. Once the generation station is commissioned, the respondent shall have access to

significant quantity of solar power. The parties shall enter into the Power Purchase Agreement within 365 days of execution of MOU.

(c) The respondent has neither willfully defaulted on its obligations under the Act, Rules or Regulations nor has neglected to undertake trading in electricity. The respondent has been complying with the obligations of the trading licensee in terms of Regulation 7 of the Trading Licence Regulations.

(d) Not being able to undertake trading activity should not be seen as the evidence of disinterest of the respondent. The respondent has taken various steps to undertake business of trading in electricity.

(e) The respondent has requested to drop the present proceedings and to allow time to commence trading in electricity.

3. We have considered the submission of the respondent. The Commission vide order dated 22.8.2014 in Petition No. 12/SM/2014 directed the respondent to explain the reasons for not undertaking trading in electricity. Based on the submission and difficulty projected by the respondent, the Commission vide order dated 23.4.2015 in Petition No. 12/SM/2014 allowed one year time to the respondent to undertake trading in electricity and to comply with the provisions of the Trading Licence Regulations. However, the respondent could not undertake any trading during the said period. Accordingly, the Commission vide order dated 28.4.2016 directed the respondent to file

its response as to why its inter-State trading licence should not be revoked. During the course of hearing, learned counsel for the respondent submitted that the respondent has signed MoU with ReNew Solar Energy Private Limited for off-take of 25 MW solar power from its solar generating stations and it will start its inter-State trading business within one year. Learned counsel further submitted that the respondent is making serious efforts to start trading in electricity as soon as possible. Considering the submission of the learned counsel for the respondent, we allow a period of six months time from the issue of this order to comply with the provisions of Trading Licence Regulations. If the respondent does not undertake trading within six months, then its licence will be revoked.

4. The Petition No. 5/SM/2016 is disposed of with the above direction.

Sd/-	sd/-	sd/-	sd/-
(Dr. M.K. Iyer) Member	(A.S. Bakshi) Member	(A.K. Singhal) Member	(Gireesh B. Pradhan) Chairperson