



सत्यमेव जयते
Dilip Nigam
Advisor

भारत सरकार
नवीन और नवीकरणीय ऊर्जा मंत्रालय
Government of India
MINISTRY OF NEW AND RENEWABLE ENERGY
अटल अक्षय ऊर्जा भवन, लोदी रोड, नई दिल्ली-110003
ATAL AKSHAY URJA BHAWAN, LODHI ROAD, NEW DELHI-110003



D. O. No. P&RA/2023-24/8

Dated01.02.2024.....

Dear *Madam/Sir*

Please refer to D.O. letter of even number dated 28th November, 2023 wherein the amended provisions of the Energy Conservation Act related to minimum share of consumption of renewable energy by the electricity department licensees was highlighted. The penalty provisions under Section 26(3) of the amended Energy Conservation Act, 2001 were also highlighted which specify the amount of penalty which will become liable for non-compliance of the norms of minimum share of consumption of renewable energy notified by the Ministry of Power on 20th October, 2023.

2. To reiterate, Section 26(3) of the amended Energy Conservation Act, 2001 provides as follows:

"If any person fails to comply with the directions issued under clauses (n) and (x) of section 14, he shall be liable to a penalty which shall not exceed ten lakh rupees for each such failure. Provided that he shall be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil equivalent prescribed under this Act, which is in excess of the prescribed norms."

3. It is brought to your attention that the additional penalty mentioned above could amount up to Rs. 3.72 per unit for each unit of shortfall in meeting the RE consumption norm, as per calculation of the penalty which is attached herewith.

4. In view of heavy penalty amount applicable under the Energy Conservation Act, 2001, it would be prudent on the part of the Discoms to tie-up and procure renewable energy to meet the specified RE consumption norm, instead of paying high penalty for non-compliance.

5. You are accordingly advised to plan in advance to meet the renewable energy consumption norms specified under the EC Act, 2001, effective from 1.4.2024 to avoid penalties. This Ministry will provide you necessary assistance for procurement of renewable energy to meet the norms.

With regards,

Encl: As above

Yours sincerely,
Dilip Nigam
(Dilip Nigam)

To

1. Additional Chief Secretaries/principal secretaries (Energy/Power/Renewable Energy) of All States/UTs
2. CMDs of all Holding Companies of DISCOMs of all States/UTs
3. CMDs of DISCOMs of all States/UTs

Illustration of penalty for not achieving the specified renewable energy consumption norms specified under EC Act, 2001 notified by Ministry of Power on 20th October, 2023:

The maximum penalty amount for shortfall in the RE consumption norms is twice the price of every metric ton of oil equivalent (MTOE) of the shortfall.

1. MTOE = 11,630 kWh
2. Price of one MTOE = INR 21,650.00
(As per MoP Gazette Notification dated 26.12.2023 for the year 2019-20 and it may be 20-30% higher for 2024-25)
3. Penalty on each unit of shortfall in meeting RE consumption norms:
$$= (2 \times 21,650) / 11,630 = \text{INR } 3.72 \text{ per kWh}$$
