

RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

Petition No. RERC/2333/2025

Petition under Section 142 of Electricity Act 2003, for Contravention of Direction contained Rajasthan Electricity Regulatory Commission Order Dated 26.07.2024 with respect to Load Factor Rebate applicable on Captive Solar Power Plant.

Coram:

Dr. Rajesh Sharma, Chairman

Hemant Kumar Jain, Member

Petitioner : M/s Shree Cement Ltd.
Respondent : Jaipur Vidhyut Vitran Nigam Ltd.
Date of Hearing : 18.07.2025, 08.08.2025, 11.12.2025
Present : Sh. Amarjit Singh, Representative for Petitioner.
Ms. Parinitoo Jain, Advocate for Respondent.

Order date : 31.12.2025

ORDER

1. M/s Shree Cement Ltd. (hereinafter also referred to as "Petitioner") has filed a petition No. RERC/2333/2025 on dated 05.05.2025 under Section 142 of Electricity Act 2003, for Contravention of Direction contained Rajasthan Electricity Regulatory Commission Order Dated 26.07.2024 with respect to Load Factor Rebate applicable on Captive Solar Power Plant.
2. The Petitioner, M/S Shree Cement Ltd. is engaged in the business of Cement manufacturing. The cement manufacturing facilities of the company among other places are located at Ras, Beawar, Khushkhera, Nawalgarh, Suratgarh and Jobner in Rajasthan.
3. Jaipur Vidyut Vitran Nigam Ltd. (hereinafter referred as "Respondent" or "Discom") is the distribution licensee in the area of Distribution of Electricity.
4. The Respondent filed their reply on dated 02.07.2025.

5. The matter was initially listed for hearing on 18.07.2025 and the Commission directed to filing rejoinder by Petitioner as requested.
6. The matter was again heard on dated 08.08.2025 where Commission directed Respondent for appointing a new Counsel in the case as requested.
7. The Matter was finally heard on 11.12.2025.

Petitioner's submission:

Petitioner in their petition, written submissions and during the course of Hearing (s) submitted as under:

8. The petitioner is having a grinding unit located at Jobner which is a consumer of JVVNL having K.No. 211543000302 with a contract demand of 7.40 MVA. The petitioner is also having a captive solar power plant of 7.08 MW within the premises of the cement unit. The above captive solar power plant was commissioned on 27.03.2023.
9. The Petitioner submitted that in the month of January 2025, JVVNL issued electricity bill for Jobner unit of Rs 2,19,91,297 /- for the consumption month December 2024. In the month of December 2024 the total energy consumed by Jobner unit was 31,65,676.75 units. Out of which Unit supplied by JVVNL was 23,90,396.93 and the remaining units i.e. 7,75,279.83 was from captive solar power plant which is installed within the petitioner's premises. The Petitioner has also submitted the copy of electricity bill for the month of Dec. 2024.
10. The load factor with respect to energy supplied by JVVNL comes out to be 43.42%, which is also captured in the electricity bill issued by JVVNL. However, after considering solar consumption from captive solar power plant, the load factor attained for the month of Dec-2024 would be 57.499%.
11. The Petitioner further submitted that the particular aspect of considering total consumption comprising of Discom power as well as captive solar generation for calculating load factor rebate has been dealt with in para 2.46.3 of RERC tariff order dated 26.07.2024. The said clause provides that if a consumer achieves load factor of 40% or more from Discom's power and a cumulative load factor of 50% or more from a combination of captive consumption from solar power plant and Discom's drawl in a given month, the consumer would be eligible for load factor rebate. In such cases, the applicable tariff will be with a load factor of 50% or more. For purpose of ease the relevant portion of Tariff order is reproduced as under:-

"2.46.3 Commission's View:

Commission observes that such power intensive industries should not be denied benefit of concessional tariff merely because they have installed RTS. Therefore, Commission direct the Discoms that while assessing the total load factor, the RTS consumption should also be considered, provided that the load factor from the Discom's supply is not less than 40%. If the combined load factor considering both solar and Discom's drawl is 50% or more and load factor of Discom's drawl is minimum 40% or more in such cases energy drawn from Discoms should be billed at the tariff applicable for consumers with billing demand 1 MVA or more and with load factor 50% or more. It is further clarified that this clause shall be applicable only for solar consumption from Roof Top Solar under net metering and captive solar power plants having installed capacity up to their contract demand subject to provisions of applicable regulations."

12. The Petitioner submitted that as per the above clause, when the load factor with respect to Discom consumption is more than 40% and overall load factor is 50% or more after including consumption from captive solar power plant, then Discom would be required to provide load factor rebate and Discom has to calculate the energy charges at unit rate of Rs. 6.048/ unit (at 132 KV voltage level). However, in petitioner's case Discom has overlooked the above mentioned clause of tariff order issued by the Commission and billed at unit rate of Rs. 7.008/ unit.
13. The Petitioner further submitted that the practice adopted by JVVNL for calculating load factor rebate is not correct and is a contravention of the order of the Commission dated 26.07.2024. The Petitioner further submitted that petitioner vide letter SCL/JPR/SCL18/5307 dated 10.01.2025 had represented the issue before the officials of JVVNL and requested Discom to revise the bill and refund the energy charges collected in excess by JVVNL.
14. The Petitioner submitted that JVVNL vide its letter dated 24.03.2025 intimated that the case was apprised to the higher authorities and it was directed that since the petitioner's solar power plant has been installed behind the meter which is an internal setup of consumer and its operational and all other activities are under control of consumer, the generation of behind the meter solar module for calculation of load factor for allowing reduced rate benefit is not considerable.
15. The Petitioner submitted that the above denial is in contravention of the Commission order dated 26.07.2024, which clearly states that the load factor rebate should be provided to every consumer who has installed captive solar power plant. Furthermore, nowhere in the Commission's

order it is mentioned that load factor rebate will not be provided to captive solar power plant installed behind the meters.

16. The denying rebate for the reason that the solar power plant is installed behind the meters is neither legal nor tenable. Distinguishing the captive solar power plant on the basis of location of the plant is not justifiable and cannot be ground for denial of incentive which is available to other plants.
17. The Petitioner submitted that the above denial will not only discourage the solar power plant developer to install captive solar power plant within the premises and but is also against the Section 86 (e) of Electricity Act 2003, which promotes the generation from renewable sources irrespective of location of solar power plant.
18. The Petitioner submitted that in such a situation, the petitioner filed this petition before the Commission under section 142 of the Electricity Act, 2003 for contravention of directions of RERC by JVVNL of its order dated 26.07.2024.
19. With the above submissions, The Petitioner in its petition no. 2333/2025 prayed for:
 - i. To direct the respondent that its views on the subject are not in consonance with the directions contained in the Commission's order dated 26.07.2024 and pass on the load factor rebate as per clause of the order of Commission dated 26.07.2024.
 - ii. To initiate necessary proceeding for violation of direction in accordance with section 142 of Electricity Act, 2003.

Respondent's Submissions:

The Respondents in its written submissions and during the course of hearing(s) submitted as under:

20. The Respondent submitted that present petition has been filed claiming load factor rebate by a petitioner consumer. The said is purely a consumer Discom dispute and thus in the garb of section 142 of electricity act cannot be converted to entertain a consumer dispute and therefore on sole this count the petition deserves to be rejected.
21. The Respondent further submitted that order dated 24.03.2025 issued by Discom could be challenged by the Petitioner before the Settlement Committee and thereafter the Electricity Ombudsman created under the Electricity Act, 2003 and therefore the present petition is not maintainable and deserves to be rejected.

22. The Respondent also submitted that the petitioner's solar plant is not connected to the grid of the answering respondent and the electricity generated by the petitioner is not fed in the grid. Petitioner is not having any net metering facility as he is not connected to the grid. Petitioner is not availing any open access for his solar plant and therefore also not connected to the grid of the answering respondent. Therefore, the petitioner is not entitled for the load rebate as claimed.
23. The Respondent also submitted that the tariff order is very clear that the clause is applicable only for solar consumption from rooftop solar under net metering and captive solar plants having installed capacity up to their contract demand. The said is permissible only in a case when the solar plant is connected to the grid. In the present case the solar power plant of the petitioner is not having net metering nor is installed and connected to the grid and therefore the petitioner is not entitled for the relief and the petition may kindly be rejected

Petitioner's Re-joinder and Respondent submission:

24. During the final hearing, the Petitioner submitted a copy of the order dated 12.03.2023 from the Rajasthan Rajya Vidyut Prasaran Nigam Ltd. regarding approval for Parallel Operation of 7.33 MW Solar Power Plant by M/s Shree Cement Ltd., Jobner with RVPN Grid supply from 132 KV GSS, Jobner.
25. Further, in compliance with the directions of the Commission issued during the final hearing, the Respondent has placed on record a copy of its letter dated 15.12.2025 addressed to M/s Shree Cement Ltd., wherein it has clarified that permission for parallel operation does not automatically entitle a consumer to a load factor rebate. Parallel operation, where a consumers behind the meter system runs in synchronizing with the utility grid, is ordinarily subject to parallel operation charges (POC) or Grid Support Charges (GSC), rather than attracting any form of rebate.
26. Petitioner also filed written submission on dated 17.12.2025 after final hearing and submitted that M/s Shree Cement Ltd. operates a 7.08 MW captive solar power plant within the premises of its Jobner unit, which is running in parallel with the grid under permission granted by RVPNL. Therefore, the plant is not grid-connected, is incorrect. Further, the Tariff Order of the Commission does not limit the load factor rebate only to consumers availing open access from remotely located captive plants, as it generally provides the rebate for "Captive Solar Power Plants" without any such distinction. The Petitioner also points out that the Respondent has taken contradictory positions by acknowledging

parallel operation with the grid while simultaneously denying grid connectivity. In view of these submissions, the Petitioner seeks confirmation of its eligibility and directions to JVVNL to grant the load factor rebate in terms of the Tariff Order dated 26.07.2024.

Commission's views:

27. The Commission has considered the submissions, reply, rejoinder and oral arguments made on behalf of the Petitioner and respondent.
28. The Commission notes that as per petitioner's submission, the Respondent has failed to comply with the directions contained in para 2.46.3 of the Commission's Tariff Order dated 26.07.2024 by not considering captive solar generation while computing the load factor for the month of December 2024, thereby denying the load-factor rebate admissible under the said clause.
29. The Petitioner also submitted that its Jobner unit has a captive solar power plant of 7.08 MW installed within the premises and commissioned on 27.03.2023. The load factor computed only on Discom supply is 43.42%, whereas the combined load factor including captive solar generation is 57.49%, thus fulfilling both conditions prescribed in para 2.46.3 of the tariff order dated 26.07.2024. The Petitioner further submitted that the Respondent's denial of load-factor rebate is contrary to the Tariff Order.
30. Per contra, the Respondent submitted that the present matter is essentially a consumer-billing dispute and cannot be adjudicated under Section 142 of the Electricity Act, 2003. The Respondent further submitted that the Petitioner ought to have approached the Settlement Committee/CGRF and thereafter the Electricity Ombudsman.
31. The Respondent also submitted that para 2.46.3 of the tariff order dated 26.07.2024 is applicable only where the solar plant is grid-connected, either through net-metering or as a captive generating station with appropriate interface and metering in accordance with applicable renewable energy regulations. The Respondent asserted that the Petitioner's solar plant is entirely *behind the meter*, not connected to the grid, does not have any net-metering arrangement, and, therefore, captive generation cannot be included in load-factor computation.
32. The Commission notes that In the rejoinder, the Petitioner has placed on record an approval dated 12.03.2023 issued by RVPN for "Parallel Operation" of its 7.33 MW solar plant with the 132 kV GSS, Jobner, and contends that this establishes grid connectivity and renders the Respondent's stand untenable.

33. Per contra, Respondent has placed on record a copy of its letter dated 15.12.2025 addressed to M/s Shree Cement Ltd., wherein it has clarified that permission for parallel operation does not automatically entitle a consumer to a load factor rebate. Parallel operation, where a consumers behind the meter system runs in synchronizing with the utility grid, is ordinarily subject to parallel operation charges (POC) or Grid Support Charges (GSC), rather than attracting any form of rebate.
34. The Commission observes that the said approval for parallel operation is only a technical consent for synchronisation and system protection. Such approval, by itself, does not establish fulfilment of the metering, energy accounting, settlement, or regulatory compliance requirements which are necessary to treat the plant as a grid-connected captive generating station for tariff-related benefits.
35. Further, The Commission also observes that a plain reading of para 2.46.3 of the tariff order dated 26.07.2024 clearly reflects the Commission's intention that the load factor rebate should not be denied to industries that have installed Rooftop Solar Plant (RTS) and captive Solar Plants. It must be emphasized that RTS & captive is a distinct category and cannot, by any stretch of imagination, be equated with the petitioner's Behind the Meter (BTM) plant. Furthermore, the latter part of the same paragraph explicitly clarify that the said rebate is applicable to RTS under net metering and to captive solar plants. The prevailing practice in the sector dictates that when Regulations refer to a "Captive Solar Plant" without further qualification, it generally signifies a non-co located plant. If the intention were to include BTM captive plants, the phrase "Captive plant including behind the meter plants" would typically be used, as is common in our Regulations. Therefore, the Commission's intent here is that the rebate is applicable to RTS & Captive plants connected with the grid and not to BTM installations come used without any net metering.
36. The BTM captive plants already operate from a privileged position compared to captive plants located elsewhere. Captive plants at other locations must seek Open Access and are required to pay all applicable related charges. In contrast, BTM Plants enjoy the benefits of self-consumption without incurring these charges. Given this fundamental difference in operational and financial liabilities, the two scenarios, BTM captive plants and non-co-located captive plants are treated differently and cannot be equated for the purpose of claiming the load factor rebate when the BTMs use not specifically mentioned in the Commission's tariff order.

37. The Commission notes that the applicable Renewable Energy Regulations lay down distinct compliance frameworks for:
- I. Grid-connected captive/rooftop solar systems, which are metered, energy-accounted, and eligible for settlement and tariff-linked benefits; and
 - II. Behind-the-Meter (BTM) systems, which operate internally within the consumer premises, are not energy-accounted at the grid interface, and are not eligible for tariff-related incentives unless expressly provided.
38. In view of the above, the Commission holds that the Respondent's treatment of the Petitioner's solar plant as a Behind-the-Meter installation and its consequential exclusion from load-factor computation is consistent with the applicable regulatory framework. Therefore, no violation of the Tariff Order can be established.
39. Accordingly, the petition is disposed of in the above terms.

(Hemant Kumar Jain)
Member

(Dr. Rajesh Sharma)
Chairman