

**CENTRAL ELECTRICITY REGULATORY COMMISSION ( CERC )**  
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**PRESS RELEASE**

**CERC draws Road-Map for Promotion of Renewables**

Promoting non-conventional resource based electricity generation being a national priority, the Central Electricity Regulatory Commission (CERC) reiterates, and urges removal of road blocks in setting up of power plants based on non-conventional sources of energy as also in sale and wheeling of the power generated from such sources, with the objective of augmenting availability of power in grid.

The Commission issued a discussion paper on “Promotion of Co-Generation and Generation of Electricity from Renewable Sources of Energy” on 16<sup>th</sup> May, 2008 wherein it has been suggested that all possible routes for sale of power generated by non-conventional plants be opened up. The various modes for sale/utilization of non-conventional electricity highlighted in the discussion paper include :

- Sale to the host distribution licensee or an authorized State entity, as per tariff and terms specified/approved by the concerned SERC.
- Sale to a distribution licensee or an authorized State entity in another State, as per tariff and terms specified/approved by the SERC of that State.
- Wheeling to an associated entity, as captive generation.
- Sale to any consumer, in the home State or elsewhere, subject to the regulations made under section 42(2) of the Act.
- Sale to the host distribution licensee or an authorized State entity, as Unscheduled Interchange (UI).
- Notional injection into the regional grid, as Unscheduled Interchange (UI).

Each of the above modes has been discussed with its pros and cons in the discussion paper. The focus of the discussion paper is on finding solutions to the various problems

presently being faced by the developers of renewable energy generation plants and providing them number of options regarding sale of their output. The suggested solutions seek to take care of the concerns of the investors as well as of the local utility whose cooperation is considered crucial to granting of grid connectivity and open access to such generators.

The salient features of the discussion paper are as under :-

- ✓ All possible routes (the six modes discussed in the paper and any other mode which may be developed) be opened up, for the renewable energy developers to choose from.
- ✓ Small renewable energy plants, output of which could be accommodated on the existing inter-State transmission system, should be exempted from all inter-State open access charges, e.g. transmission/wheeling charge, scheduling fee, etc.
- ✓ Only a reactive energy charge may be applied by the host utility, as per the reactive charge scheme specified in Indian Electricity Grid Code (IEGC), but there should be no other charge, e.g. standby charge, grid connection charge, etc.
- ✓ Renewable Energy Plants may not be asked to reduce generation in any time block during a day as long as supply is within contracted plant capacity and there is no transmission constraint. This is to accommodate the non-despatchable nature of many renewable source based power generation systems.
- ✓ For suppliers of such energy to the utility within the same State, State Transmission Utility may provide access without any charges.
- ✓ Any further encouragement that may be specified/offered by the State Regulatory Commission and State utilities would also be welcome.

The Commission had earlier engaged TERI as a Consultant to suggest an approach paper on “Pricing of Power from Non-Conventional Sources”. The Commission has proposed that while the State Commissions have already done considerable work on tariff for renewable energy, the report submitted by TERI can also be considered by SERCs as a reference document.

The discussion paper is available at CERC website and comments can be sent by 16.06.2008.

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