

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Dated: 30th September, 2014

DRAFT NOTIFICATION

No.L- 1/12/2010- CERC: In exercise of powers conferred under section 178 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations to amend the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 (hereinafter referred to as “the Principal Regulations”), namely:

1. Short title and commencement:

- (i) These regulations may be called the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) (Third Amendment) Regulations, 2014.
- (ii) These regulations shall come into force with effect from the date of their publication in the Official Gazette.

2. Amendment of Regulation 5 of principal regulations:

- (i) A new clause (1A) shall be added after clause (1) of Regulation 5 of the Principal Regulations as under:

"(1A) A distribution licensee shall be eligible to apply for registration with the Central Agency for issuance of and dealing in Certificates if it fulfills the following conditions:

- (a) It has procured renewable energy, in the previous financial year, at a tariff determined under Section 62 or adopted under Section 63 of the Act, in excess of the renewable purchase obligation as may be specified by the

Appropriate Commission or in the National Action Plan on Climate Change or in the Tariff Policy, whichever is higher:

Provided that the renewable purchase obligation as may be specified for a year, by the Appropriate Commission should not be lower than that for the previous financial year.

(b) It has obtained a certification of procurement of renewable energy as provided in sub-clause (a) of this regulation, from the Appropriate Commission."

(ii) In clause (2) of Regulation 5, the words "or the distribution licensee, as the case may be" shall be added after the words "The generating company".

3. Amendment of Regulation 7 of the Principal Regulations:

(i) The words "other than distribution licensee" shall be added after the words "eligible entity" in the clause (1) of Regulation 7.

(ii) The following new clause shall be added under clause (1) of Regulation 7 of the Principal Regulations as under:

"(1 A) The eligible distribution licensees shall apply to the Central Agency for Certificates within three months from the date of obtaining the certification, as provided in clause (1A) of the Regulation 5, from the concerned Appropriate Commission.

(iii) The following new clauses shall be added under Regulation 7 of the Principal Regulations as under:

"(7) An eligible entity that sells the electricity generated to the distribution licensee of the area in which the eligible entity is located, at the pooled cost of power purchase of such distribution licensee as determined by the Appropriate Commission or sells electricity at the rate discovered at the power Exchange, shall be issued one Certificate for one Megawatt hour of electricity generated from renewable energy source and injected into the grid.

(8) An eligible entity that sells the electricity generated to any other licensee or to an open access consumer at a mutually agreed price, shall be issued Half Certificate for one Megawatt hour of electricity generated from renewable energy source and injected into the grid.

(9) An eligible entity which is a CGP based on renewable energy sources shall be issued Half Certificate for self consumption of one Megawatt hour electricity generated from renewable energy source.

(10) The Commission shall determine through separate order, the quantum of Certificate to be issued to the eligible entities being solar generating company, for one Megawatt hour of electricity generated from the renewable energy source and injected into the grid or deemed to be injected (in case of self consumption by eligible CGP) into the grid, with due regard to the conditions stipulated in clauses (7), (8) and (9) of this Regulation and after considering vintage of such projects with reference to the year of their commissioning as per the following formula:

Vintage Multiplier =

Maximum difference [Minimum Requirement in of Base Year – APPC of Current Year (state wise)] / Maximum Difference [Min Requirement in Current Year – APPC of Current Year (state wise)]

Where,

- i. “APPC” means Average Pooled Cost of Purchase of State;
- ii. “Minimum requirement” means minimum levelised tariff required for viability of project to meet interest expenses, loan repayment and operation & Maintenance Expenses for various renewable energy technologies in the commissioning year and current year based on tariff determined by the Commission in respective years;
- iii. “Base year” means the year of commissioning.”

(11) Vintage multiplier shall be provided for a period of 12 years, from the year of commissioning.”

4. **Amendment to Regulation 10 of the Principal Regulations:** The following proviso shall be added after second proviso to Clause (1) of Regulation 10 of the Principal Regulations as under:

“Provided that the validity of Certificates, which are likely to expire in the next one year from the notification of this amendment shall be increased by another three hundred and sixty five days.”

Sd/-
(Shubha Sarma)
Secretary

Note: The principal regulations were published on 18.1.2010 in Gazette of India Extraordinary Part-III Section-4, Sr. No. 26 and first amendment was published on 1.10.2010 in Gazette of India Extraordinary Part-III Section-4, Sr. No.249 and second amendment was published on 11.7.2013 in Gazette of India Extraordinary Part-III Section-4, Sr. No.192.