

**CENTRAL ELECTRICITY REGULATORY COMMISSION
DELHI**

“Draft Central Electricity Regulatory Commission (Terms and Conditions for Dealing in Energy Savings Certificates) (First Amendment) Regulations, 2022”

EXPLANATORY MEMORANDUM

a) Amendment to Regulation 2 under Clause (1) of the Principal Regulations shall include a sub-clause (r) defining the floor price:

b) Amendment to Regulation 11 of the Principal Regulations for insertion of Clause (3) after Clause (2) “The floor price for the Trading of Energy Saving Certificates as mentioned in the Energy Conservation Rules shall be fixed at ten percent of the price of one metric tonne of oil equivalent of energy consumed”:

1. Ministry of Power has notified Energy Conservation (Amendment) Rules, 2022, published in the Gazette of India , Extraordinary, Part II, Section 3, Subsection (i) *vide* notification number G.S.R. 669 (E), dated: 30.08.2022 to further amend the Energy Conservation Rules, 2012 (the principal rules), published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) *vide* notification number G.S.R. 269 (E), dated: 30.03.2012 and the relevant amendments made in the principal rules are, in rule 2, and rule 12 are as under:

“Rule 2 shall now include definition for floor price through clause “(gb)” “floor price” means the minimum price at which the Energy Savings Certificate shall be traded in power exchanges.

In the principal rules, in rule 12

Insertion a new sub-rule (9) on floor price for ESCert stating that *the floor price for the Trading of Energy Saving Certificates shall be fixed at ten percent of the price of one metric tonne of oil equivalent of energy consumed as may be notified by the Central Government, by notification in the Official Gazette for every Perform, Achieve and Trade Cycle.”*

2. Accordingly, BEE has requested CERC to suitably modify / make necessary amendments in the CERC (Terms and Conditions for Dealing in Energy Savings Certificates) Regulations, 2016 in order to determine and fix a floor price for Energy Saving Certificate (ESCerts).
3. In view of the above, amendments are proposed in the ESCerts Regulations as under:

a) Amendment to Regulation 2 under Clause (1) of the Principal Regulations shall include

a sub-clause (r) defining the floor price:

A new sub-clause (r) is proposed to be inserted under Clause (1) of Regulation 2 of the Principal Regulations defining the floor price as under:

“(r) ‘Floor Price’ means the minimum price at which the Energy Savings Certificate shall be traded on the power exchanges”

b) Amendment to Regulation 11 of the Principal Regulations:

Clause (3) is proposed to be added after clause (2) of Regulation 11 of the Principal Regulations as under:

“(3) The floor price for the trading of Energy Saving Certificates as mentioned in the Energy Conservation Rules shall be fixed at ten percent of the price of one metric tonne of oil equivalent of energy consumed as may be notified by the Central Government, by notification in the Official Gazette for every Perform, Achieve and Trade Cycle.”
