

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Draft Central Electricity Regulatory Commission (Terms and Conditions  
for Renewable Energy Certificates for Renewable Energy Generation)  
Regulations, 2022**

**EXPLANATORY MEMORANDUM**

**Table of Contents**

1. Background.....	2
2. Salient Features of the Draft REC Regulations, .....	5
3. Central Agency and its Function .....	7
4. Eligibility for Issuance of Certificate.....	8
5. Processes involves in REC Mechanism .....	10
6. Accreditation for Certificate.....	10
7. Registration of Certificate .....	11
8. Issuance of Certificate.....	12
9. Exchange and Redemption of Certificate.....	12
10. Denomination of Certificate .....	13
11. Pricing of Certificate .....	15
12. Validity of Certificates .....	16
13. Fees and Charges .....	17
14. Detailed Procedure.....	17
15. Repeal and Saving.....	17

## 1. Background

1.1 The Commission introduced the Renewable Energy Certificates (REC) in the Indian electricity sector by notifying the ‘Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation’ Regulations, 2010 in January 2010, (in short the REC Regulations, 2010). The regulations provided enabling regulatory provisions for development and implementation of REC mechanism.

1.2 Renewable Energy Certificate mechanism essentially seeks to address the mismatch between availability of RE sources and the requirement of the obligated entities to meet their renewable purchase obligation (RPO) and the constraint in transferability of infirm renewable power across States. As Renewable Energy (RE) sources are not uniformly located in India, REC Mechanism provided additional instrument for the obligated entities such as, Distribution companies, captive consumers and open access consumers etc. to fulfil the requirement of RPO. It also provided an alternate avenue for investment in RE segment.

1.3 Under REC mechanism, the electricity component and environmental attributes are separated as depicted below:



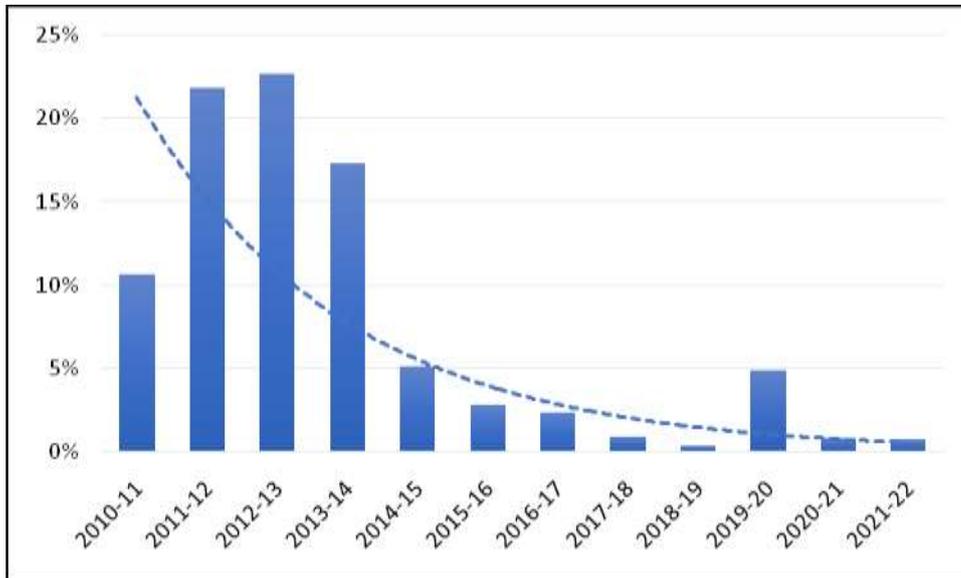
Unlike in case of RE projects under section 62 or 63 of the Act, which sell electricity and environmental components in bundled form, the RE projects under REC mechanism sell these components separately.

1.4 The purchase and sale of REC on the power exchanges started from March 2011. Ever since, the non-solar REC and solar REC trading sessions have been taking place once in a month.

1.5 As of now around 1038 RE projects with total capacity 4489 MW are registered in the REC mechanism out of which around 872 projects with total capacity of around 3980 MW have been commissioned after the introduction of REC Mechanism. Around 258 Projects (with capacity of 1312 MW) are under captive route and 332 projects (with capacity of 1775 MW) under APPC route, while other 427 projects (with capacity of 1532 MW) are under

Open Access Route. It has also been observed that new investment in the REC projects have declined over the period as shown in Figure-1 below.

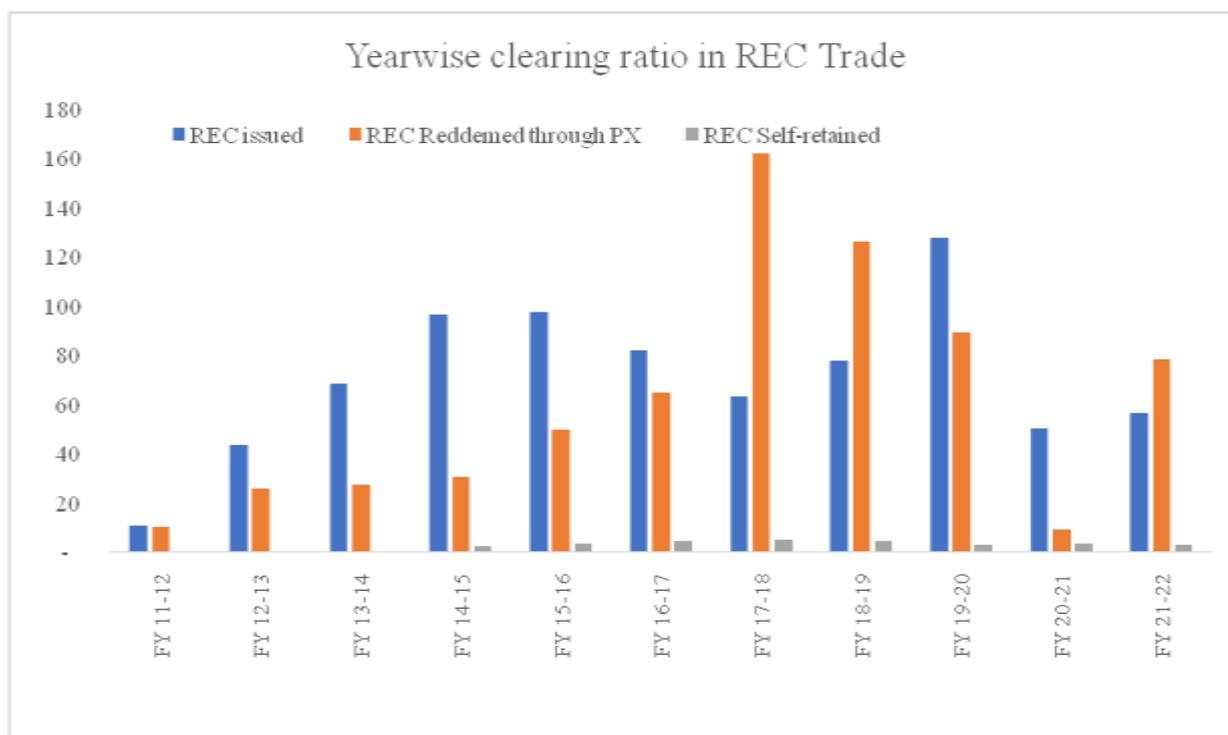
Figure-1:- REC Project as a percentage of RE Capacity Year wise



Source: REC Registry

1.6 During the last ten years on an average 70 lakh RECs have been issued annually, against which on an average 61 lakhs RECs have been redeemed through power exchange and 3.6 lakhs RECs have been self-retained by the entities. REC clearing ratio over the last ten years is shown in Figure-2 below:

Figure-2:-Year wise Clearing Ratio in REC Market



Source: REC Registry

1.7 Till February 2022, 7,73,23,264 RECs have been issued out of which 87% of RECs have been redeemed and 4% of RECs have been self-retained by the entities. The Current inventory of the REC stands at 34,30,162 by end of February 2022, as depicted in Table-3 below:

Table-3: REC Statistics

REC Statistics (as on Feb 2022)	
RECs Issued	7,73,23,264
RECs redeemed through PXs	6,73,40,570
RECs self retained by RE Generators	29,28,637
REC Inventory	34,30,162

Source:- REC Registry

1.8 Since the introduction of REC Mechanism in 2010, power sector in India has witnessed significant changes. REC mechanism was designed based on the then prevailing conditions of market where the prices of electricity from wind and solar based power projects were higher than those from any conventional source. However, the scenario has changed significantly over the period and costs of wind and solar generation have become at par with the cost of thermal generation in the country. RE capacity which was around 20 GW when REC Market was introduced in 2011, has crossed 100 GW as on date. More market-based products to promote procurement of RE like Green Day Ahead Market (G-DAM), Real Time Market (RTM) , Green Term Ahead Market (G-TAM) etc. have been introduced. Distribution Companies are also looking for options for market-based procurement of RE in addition to procurement under Section 62 or 63 of the Act. The regulatory impact assessment of REC mechanism with reference to facilitation of investment, inter-state transactions of RE, development of market for voluntary buyers, etc. has also been undertaken by the Commission through a study. Various stakeholders have recommended aligning the REC market with market realities while addressing some operational and procedural bottlenecks. The Commission has also issued various orders on issues faced by the stakeholders in the existing REC mechanism. The Commission also received a communication from the Ministry of Power with the request to redesign the REC mechanism. In view of the above, the Commission felt the need of revisiting the REC Mechanism in order to align with emerging scenarios in the power sector and to promote new renewable energy technologies.

## **2. Salient Features of the Draft REC Regulations,**

2.1 In view of the above background and to align the REC mechanism to reflect market reality the Commission decided to revisit the REC mechanism and has issued the draft Regulations for public consultation. It is envisaged that the draft Regulations would address the concerns raised by stakeholders during the operational experience of last one decade and would bring required flexibility in the REC market.

2.2 Salient features of the draft Regulations are summarised below for ready reference while subsequent sections provide rationale and explanation of different provisions specified in the Regulations.

- (1) **National Load Despatch Centre (NLDC)** would continue to be the **Central Agency** for the REC mechanism and would act a repository for transactions of

Certificates along with responsibility of registration of eligible entities and issuance of Certificates.

- (2) **Eligibility Criteria:** Eligibility criteria has been simplified further for RE generator. Any **RE Generator**, whose tariff is not been determined under Section 62 or 63 of the Act or who has not sold power in power exchange for RPO compliance would be eligible for Certificate. **Captive generating station (CGS)** based on renewable energy sources would be eligible under the proposed REC Regulations. However, REC issued to such an entity up to its own consumption would not be allowed for sale, but can be used to fulfil its own RPO. Any REC issued to such entity above its self-consumption would be available for sale. However, such eligible entity should not have availed benefits of transmission charge waiver, wheeling charge waiver or banking benefit. The distribution companies would be eligible for certificates to the extent of excess RE procurement above their RPO as specified by their respective State Commission.
- (3) The existing process of **Accreditation** by the State agency for eligible entities connected to intra- state transmission system has been continued, while assigning respective Regional Load Despatch Centres (RLDCs) the responsibility of accreditation of eligible entities connected to inter-State transmission system.
- (4) Accredited entity shall be eligible for registration at Central Agency and the **Registration** of such eligible entities would be **valid for 15 years** from the date of Registration.
- (5) An eligible entity is required to apply for issuance of Certificates within six months from the corresponding generation.
- (6) In order to ease the process of change in name or change in legal status of the eligible entities, the concerned agencies (RLDC for Accreditation and the Central Agency for Registration) have been mandated to update their records within 30 days of information of such change by the concerned.
- (7) In addition to the existing system of **transactions** of Certificates **through power exchange**, the proposed Regulations allow transactions of Certificates also **through electricity traders** at mutually agreed price. Periodicity of exchange of Certificates would be stipulated in the detailed procedures to be issued by the Central Agency.

- (8) **No floor and Forbearance Price for Certificates.** Price for Certificate would be as discovered in the power exchange or as mutually agreed between eligible entities and electricity traders. The Commission to intervene only under certain circumstances such as sudden volatility in the prices of certificates or sudden high or low transactions volume.
- (9) Categorisation of certificates as solar and non-solar has been dispensed with; instead the concept of **Multiplier has been introduced** for new RE Projects based on the principle of tariff range for various RE technologies.
- (10) The Certificates issued to the eligible entity shall remain valid till it is sold in power exchange or through a trader and used for RPO compliance. In other words, **validity of certificate will be perpetual i.e., till it is sold for RPO compliance.**

### **3. Central Agency and its Function**

3.1 In the present REC Regulations, Central Agency is entrusted with various activities at national level for implementation of REC Regulations. The Commission has designated National Load Despatch Centre (NLDC) established under sub-section (1) of Section 26 of the Act, as Central Agency. Accordingly, NLDC is discharging various functions such as Registration, Issuance and redemption of Certificates as also acting as a Registry for REC.

3.2 The Commission duly acknowledges the efforts of the NLDC as Central Agency in implementation of REC Mechanism. In view of the technical and operational capability of NLDC to implement various activities under REC Regulations over the period, the Commission would like to continue to entrust the same responsibility again on the NLDC under the new framework. Accordingly, the Commission has proposed to designate NLDC to perform the functions of Central Agency under the proposed REC mechanism.

3.3 The Central Agency would be responsible for various functions such as, registration of eligible entities, issuance of certificates, maintaining and settling account for Certificates, acting as Repository of Certificate Transactions, maintaining Registry and carrying out any other function that may be assigned by the Commission from time to time for smooth and effective implementation of REC mechanism.

#### **4. Eligibility for Issuance of Certificate**

4.1 The primary criteria for the entity to be eligible under REC mechanism are that the entity should be engaged in generation of electricity from approved RE sources and connected to the grid.

4.2 The Ministry of New and Renewable Energy (MNRE), the nodal Ministry for promotion and development of renewable energy in India, has identified and approved a number of renewable energy technologies such as wind, small hydro, solar, biomass, bagasse-based cogeneration, waste to energy etc. Similarly, recently Ministry of Power also declared large Hydro projects with more than 25 MW installed capacity commissioned after 8.3.2019, as renewable energy source. Accordingly, the definition of renewable energy sources has been expanded in the proposed Regulations to include all such sources of energy as are recognized or approved by the Central Government.

4.3 In addition to the basic criteria as highlighted above, the renewable energy (RE) generating stations should also fulfill following specific criteria:

- the tariff of such renewable energy generating station has not been either determined under Section 62 or Section 63 of the Act for RPO compliance by an obligated entity
- the electricity generated is not sold either through an electricity trader or in the Power Exchange for RPO compliance by an obligated entity
- such renewable energy generating station has not availed any (i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges or (iii) facility of banking of electricity

4.4 The tariff determined under Section 62 or Section 63 of the Act for a renewable energy generating station takes into account the cost of generation and risks involved during the life time of the operation of a renewable generation station. The distribution licensee procures electricity from RE generating station whose tariff is determined or adopted under Section 62 or 63 for fulfilment of its renewable purchase obligation (RPO).

4.5 Similarly, electricity procured through existing green contracts in power exchanges such as Green Day Ahead Contracts or Green Term Ahead contracts etc. are meant for compliance of renewable purchase obligation. Allowing such generation under REC mechanism would tantamount to double accounting of green attributes and hence need to be excluded. Accordingly, the Commission proposes that any sale of power used by obligated entities to fulfill RPO would not be eligible for participation in REC mechanism. An appropriate mechanism for accounting of such generation and sale along with required format

from RE generating station in this regard would be stipulated in the detailed procedure to be issued by the Central Agency.

4.6 Under the existing Regulations captive generating stations - except those which are commissioned between 29.09.2010 and 31.03.2016 and registered before 30-06-2016- are not eligible for REC. However, in the proposed REC Regulations, the Commission has decided to allow captive generating stations based on renewable energy sources to participate in the REC mechanism irrespective of its date of commissioning subject to the condition that the RECs issued up to self-consumption shall not be eligible for sale but can be used only to offset RPO of such CGSs.

4.7 The primary purpose of setting up renewable energy station by captive consumers is to fulfill its renewable purchase obligation. Such self-consumption actually replaces the equivalent procurement from the distribution licensee and hence get adequately compensated in terms of saving on the tariff applicable for such consumer category. Hence, the Commission has proposed that the Certificates issued to such captive generating stations to the extent of self-consumption, shall not be eligible for sale in the REC Market. For the generation component which beyond the self-consumption from such captive generating stations, it could be treated like a sale to any third party by any renewable generating station and would hence be eligible for REC.

4.8 Further, REC framework is a market driven approach seeking to promote competition without any concessional benefits, which have the potential to skew the market. Accordingly, it is proposed that renewable energy generating station should not have availed any (i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges or (iii) facility of banking of electricity for participation in the REC mechanism.

4.9 REC framework is aimed at increasing the overall renewable energy capacity in the country. It provides an alternative option for the Obligated Entities to meet their renewable purchase obligation. Issuance of certificates to the distribution companies is an inducement for procurement of renewable energy beyond their renewable purchase obligation. Any policy or regulatory framework should have deterrents against non-performance as well as incentives for better performance. Further, the extant REC Regulations also allow issuance of Certificates to the distribution licensees to the extent of purchase of excess electricity from renewable energy sources beyond their obligation. The Commission has decided to continue the same provision in the proposed REC Mechanism.

## **5. Processes involves in REC Mechanism**

5.1 As per the existing practice, the eligible RE generators connected to intra-state system apply for accreditation to the State Agency through online portal and thereafter the Central Agency registers the project under REC Mechanism. Subsequently, REC is issued to RE generator as per Energy Injection Report (EIR) certified by the concerned State Load Despatch Centre (SLDC) or competent authority for energy accounting. After issuance of REC(s), RE generator sells RECs at the Power Exchanges once in a month. RECs cleared in the Power Exchange(s) stand redeemed and extinguished. REC registry maintains the records of the sellers and buyers in the Registry.

5.2 The draft Regulations also propose to continue with the same operational framework of accreditation, registration for Certificates and issuance, exchange and redemption of Certificates.

## **6. Accreditation for Certificate**

6.1 The extant REC Regulations issued by the Commission envisaged accreditation of renewable projects at State level considering the then prevailing market conditions of renewable generating stations connected to intra-State system. However, with maturity of renewable energy market many renewable energy projects have been connected directly to inter-State transmission system, and hence it is necessary to make provision for accreditation of such RE generating stations. Accordingly, the Commission has proposed that accreditation of eligible entities connected to inter-State transmission system shall be granted by the RLDC of the region in which such eligible entities are located. The Central Agency shall issue detailed procedure for accreditation of such regional entities.

6.2 The existing practice of granting the accreditation by the State Agency designated by the State Commission to the eligible entities connected to intra-State transmission system would continue as per the specification by the State Commission.

6.3 Further, in order to address any regulatory uncertainty to the existing accredited projects, the draft Regulations propose that the entities granted accreditation for Certificates under the REC Regulations, 2010 shall be deemed to have been granted accreditation for Certificates under these regulations and their accreditation shall remain valid till the date of validity of their accreditation under the REC Regulations, 2010.

6.4 The Commission dealt various petitions with regard to the processes involved in change in name or change in legal status of the entities. In order to bring clarity and simplify the process in this regard, the Commission has proposed that upon the eligible entity connected to Inter-state transmission system informing about its change in name or change in legal status with relevant documents from appropriate authorities (viz., Registrar of Companies or National Company Law Tribunal or any other Court), the RLDC shall update such change in records within 30 days. The Commission believes that this will bring required standardization and simplification in transferring the benefits by virtue of the approval granted by the competent authority and all consequences flowing from the Scheme of Arrangement, under the Company Law, including transfer of assets and liabilities.

6.5 It is important that the entities adhere to the terms and conditions of its accreditation and not obtain accreditation on any false information. A separate provision has also been made in this regard under which accreditation of an eligible entity can be revoked. However, RLDC after making appropriate enquiry may give adequate notice and opportunity to entity to explain reasons for such breach. RLDC also should give detailed reasoning for revocation of any accreditation.

## **7. Registration of Certificate**

7.1 The Commission has continued the provision of Registration of eligible entities by the Central Agency after grant of accreditation either by State Agency or RLDC. Further, to bring regulatory certainty to entities which are already registered under the extant REC Regulations, it has been provided that such entities would be considered to have deemed registration and such registration would be valid for 15 years from the date of deemed registration. Similarly registration of eligible entities under the proposed Regulations would be valid for 15 years from the date of registration. This has been proposed to simply the process and facilitate ease of doing business.

7.2 As in case of Accreditation, the draft Regulations propose that upon the eligible entity informing about its change in name or change in legal status with relevant documents from appropriate authorities (viz., Registrar of Companies or National Company Law Tribunal or any other Court), the Central Agency shall update such change in records within 30 days.

## **8. Issuance of Certificate**

8.1 The draft Regulations propose to continue with the existing provision of making application before the Central Agency for issuance of certificates within six months from corresponding generation. It is expected that this timeline would be followed strictly in order to expedite the process of issuance and any delay in such application may render non-issuance of Certificates for the corresponding period. Further, the Central Agency shall issue Certificates within 15 days from the date of receipt of application. If the Central Agency rejects the application the same should be intimated to the corresponding entity with reasons for such rejection.

8.2 The Central Agency would be issuing the Certificates on the basis of the units of electricity generated and injected in to the grid by the eligible entity or deemed to be injected in case of self-consumption by eligible captive generating stations and duly accounted in the energy accounting system. Injection of the electricity by such entities would be based on the energy accounting system specified in the grid code or State grid Code, as the case may be. In case of entities which are not covered under the existing scheduling and dispatch procedures, issuance of the certificate would be based written communication of the concerned distribution licensee to the concerned State Load Dispatch Centre about the injection of electricity by the corresponding eligible entity.

8.3 Further in order to bring certainty in issuance of Certificates for the eligible entity, the draft Regulations propose that eligible entities granted registration or deemed to have granted registration under these regulations would be eligible for issuance of Certificates for the validity period of their Registration. Thus, the validity of Registration being 15 years, an eligible entity would also be eligible for issuance of Certificates for 15 years.

## **9. Exchange and Redemption of Certificate**

9.1 At present transactions of Certificates have been mandated only through the Power Exchanges which was considered necessary at that time for ensuring transparency, accounting and monitoring. However, over the period, the monitoring and compliance mechanism for both power exchanges and traders have evolved in so far as the energy trade is concerned. As such, transaction of RECs through traders may be considered in future. It is also felt that transaction of RECs through traders would provide an opportunity to the investors to secure their revenue on a longer-term time horizon and in turn will mitigate their risks. Hence, the Commission has proposed to allow transaction of Certificates through

power exchanges as well as traders. However, it is important to put in place a robust framework to ensure transparency and probity of transactions to safeguard the interest of stakeholders against any kind of abuse of the processes. Accordingly, the draft Regulations propose the following framework to be followed for transactions of Certificates through traders.

- (a) The eligible entities shall inform, in advance, to the Central Agency about the number of Certificates intended to be sold through electricity traders;
- (b) The Central Agency shall block the Certificates in the Registry as informed by eligible entity ;
- (c) The Certificates blocked shall not be allowed to be exchanged through Power Exchange(s);
- (d) The electricity trader shall intimate to the Central Agency consequent upon sale of the Certificates .

9.2 While Power Exchanges shall seek approval of the Commission according to the Power Market Regulations, 2021 for the respective Bylaws and Rules for exchange of Certificates, the trading margin to the electricity traders for trade of Certificates shall be governed by the Trading Licence Regulations, 2020. The Central Agency shall maintain a Registry for all the transactions of Certificates. A separate provision is also specified that the Power Exchange(s) and the electricity traders shall report all transactions with details including but not limited to volume, price, buyers and sellers to the Central Agency on a monthly basis.

## **10. Denomination of Certificate**

10.1 The draft Regulations propose to continue with the existing provision of denomination of Certificates, that is, one Certificate representing one MWh of energy generated and injected or deemed to have been injected into the grid, but with a special provision that certificate multiplier may be issued by the Commission keeping in view the maturity level and cost of various RE technologies. Over the period, costs of wind and solar projects have reduced significantly and stakeholders have argued that a separate carve out for solar and the present provision of putting together all other RE resources as non-solar, needs a revisit. There have been demands for incentivising higher cost RE sources such as Municipal Solid Waste (MSW), Biomass, hydro etc. The Commission has taken note of these

feedbacks and accordingly proposed that renewable energy-based projects would receive a common but differentiated by number of Certificate(s), by way of Certificate multiplier based on maturity and cost of a particular technology. This will ensure that REC market is not fragmented while making sure at the same time that all technologies are equitably compensated . It is believed that Certificate multiplier would also provide required support for new and innovative technologies in its nascent stage of development.

10.2 In order to give regulatory certainty, the draft regulations propose that a multiplier will be assigned for a period of 3 years or such other period as decided by the Commission.

10.3 While the draft Regulations propose revision of multiplier from time to time based on the review of maturity level and cost of generation of renewable technologies by the Commission, it also makes a provision for ‘grandfathering’, which implies that the project which has been granted a certain multiplier would continue with the same multiplier till 15 years from the date of commissioning of such project. This is to ensure revenue recovery during the period of debt obligation for such projects.

10.4 The draft Regulations propose to assign the multiplier by comparing the levelled tariff of various RE based projects as determined or adopted by the Appropriate Regulatory Commissions. Accordingly, principle of determination of Certificate Multiplier has been provided in the Annexure of the draft Regulations which takes into account the tariff range for different RE projects in the following manner:

- Tariffs of renewable energy projects discovered through bidding process under Section 63 of the Act;
- Tariff Orders issued by the Commission for projects based on various Renewable Energy Sources;
- Tariff Orders issued by State Electricity Regulatory Commissions for Renewable Energy Projects;
- Renewable Energy Project Specific Tariffs determined by the Appropriate Commission, if any

10.5 Based on the above approach, tariff range for RE projects has been considered to assign the following multipliers which will be applicable for the period of three years from the date of effect of these regulations or such other period as may be decided by the Commission.

<b>Renewable Energy Technologies</b>	<b>Tariff Range in Rs/kWh</b>	<b>Certificate Multiplier</b>
On shore Wind and Solar	<=4	1
Hydro	4-6	1.5
Municipal Solid Waste (MSW) and non-fossil fuel-based cogeneration	6-8	2
Biomass and Biofuel	8-10	2.5

*Note:*

- *Tariff Ranges for Wind and Solar are based on the highest competitive bidding rates discovered during the FY 2020-21.*
- *For other RE technologies excluding Waste to Energy the average tariff as per CERC order dated 31.3.2021 in petition no 2/SM/2021 are considered.*
- *For MSW since there is no tariff determined by CERC , average tariff of latest SERCs ordered are considered*

10.6 For RE technologies which are not covered in the table proposed in the draft Regulation, a separate provision to assign multiplier on case-to-case basis has also been provided. Further, considering that the existing eligible RE projects have already been commissioned after taking into account the prevailing regulatory framework of REC without any multiplier and the objective of multiplier is to promote new investment in RE projects, the draft Regulations propose that such multiplier would be applicable to RE projects commissioned after the date of notification of these regulations.

## **11. Pricing of Certificate**

11.1 As per the extant Regulations, REC would be exchanged within the forbearance price and floor price as determined by the Commission. The intent of determining the floor and forbearance price was to avoid price volatility (through forbearance price) and to ensure viability of an REC project (through floor price). The basic premise of REC framework and REC prices thereof, is that the revenue for a project registered under REC mechanism should be comparable to the revenue from sale of bundled green power for a regulated tariff route project. In view of the fact that RE market has adequately matured and prices of renewable technologies, especially wind and solar have reduced drastically, the Commission reviewed

the need for floor and forbearance price for the REC market. The Commission from time to time had also directed the staff to review the need of floor and forbearance price in view of the fact that REC market has been in operation for more than ten years now. The Regulatory Impact Assessment study conducted by the Commission also recommended that it is imperative to do away with floor and forbearance price of REC. The communication received from the Ministry of Power also recommended removal of floor and forbearance price. Accordingly, the Commission has decided to do away with the requirement of determining floor and forbearance price for REC. The price of REC would be discovered based on the demand and supply situation in the REC market with complete freedom to buyers and sellers. The Commission believes that this will help realize true market value of REC. However, in order to ensure there is no gaming or malpractice leading to manipulation of prices in the REC market, a separate provision for Regulatory intervention is provided in the draft Regulations as follows:

*“The Commission, on being satisfied that any of the following circumstances exist or is likely to occur, may by an order give such directions as may be considered necessary:*

*(a) Abnormal increase or decrease in prices of Certificates;*

*(b) Sudden volatility in the prices of Certificates;*

*(c) Sudden high or low transaction volumes of Certificates on a Power Exchange.”*

## **12. Validity of Certificates**

12.1 The key consideration for determining the validity of Certificate is to provide certainty to RE generators in the event of lean demand on one side and also to prevent hoarding of RECs in speculation of increase in REC prices in future. Accordingly, in the existing REC framework validity of the Certificate was retained at 1095 days (approximately 3 years) from the date of issuance of the Certificate to the eligible entity. Further, the Commission from time to time has extended the validity of REC certificate in order to grant relief to the affected parties due to some legal proceeding or in view of the sluggish market demand. However, since the REC market has matured now and Floor and Forbearance Prices for Certificates are to be removed, the Commission proposes to extend the validity of the Certificates till they are redeemed through power exchanges or through trading licensee. The Commission believes that this will provide required certainty in the market .

### **13. Fees and Charges**

13.1 As for the Fees and charges by the eligible entities, the Commission would like to continue the existing provision of approval of the Commission based on the proposal of the Central Agency. Considering the significant changes in the Certificate framework, the Commission may revise the charges based on the proposal receive from the Central Agency after finalisation of the Regulations.

### **14. Detailed Procedure**

14.1 The Central Agency shall issue the Detailed Procedure after stakeholder consultation within a period of 3 months of notification of these regulations and submit the same for information to the Commission. The Detailed Procedure to be issued by the Central Agency shall include, inter alia, the Procedure for Accreditation, Registration, Issuance and Exchange of Certificate based on the principle outlined in the Regulations. There is no need for the Commission's approval for the same.

### **15. Repeal and Saving**

15.1 In view of the proposed framework for Certificate, the existing REC Regulations, 2010 and all the amendments thereafter would stand repealed along with any procedures issued under earlier REC Regulations. Accordingly, earlier model procedure for Accreditation, procedure for Registration, Procedure for Issuance, Procedure for Redemption of Certificate would be replaced with the detailed procedure to be issued by the Central Agency under this new Regulations.

15.2 However, notwithstanding such repeal of amendments or procedures under the earlier REC Regulations, anything done or any action taken or purported to have been done or taken or any accreditation or registration or permission granted or any document or instrument executed or any direction given under the repealed regulations shall, in so far as it is not inconsistent with the provisions of these regulations, be deemed to have been done or taken under the corresponding provisions of these regulations.

15.3 Further, any order or direction issued or approval granted, or any appointment made in pursuance of the repealed regulations shall, if in force at the commencement of these regulations, continue to be in force, and shall have effect as if made, directed or issued under or in pursuance of these regulations, unless otherwise specifically required under these regulations.