



To,

Date: 25/03/2022

The Secretary,  
Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building, 36, Janpath,  
New Delhi – 110001

Subject: Comments and Suggestions on Central Electricity Regulatory Commission (CERC) (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Respected Sir,

We are thankful to the Hon'ble Central Electricity Regulatory Commission for providing an opportunity for us to share our suggestions and comments on the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Please find our comments in Annexure A.

We request the Hon'ble Central Electricity Regulatory Commission to kindly consider our submissions, as may be considered appropriate by the Commission.

Yours Sincerely,  
For Continuum Green Energy (India) Pvt. Ltd.

Soumya Ranjan Parida  
(Authorized Signatory)

**Annexure A**

**Comments on Central Electricity Regulatory Commission (CERC) (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.**

Sr.No.	Clause as per the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022	Proposed amendments sought by Continuum Green Energy (India) Private Limited in CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022	Remark for Proposed Amendment
1	<p><b>4. Eligibility for Issuance of Certificates</b></p> <p>(1) Following entities shall be eligible for issuance of Certificates:</p> <ul style="list-style-type: none"> <li>(a) Renewable energy generating station</li> <li>(b) Captive generating station based on renewable energy sources,</li> <li>(c) Distribution licensee, and</li> <li>(d) Open access consumer</li> </ul> <p>(2) A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions:</p> <ul style="list-style-type: none"> <li>(a) the tariff of such renewable energy generating station has not been either determined or adopted under section 62 or section 63 of the Act, or the electricity generated is not sold either through an electricity trader or in the Power Exchange, for RPO compliance by an obligated entity;</li> <li>(b) such renewable energy generating station has not availed any <ul style="list-style-type: none"> <li>(i) waiver or concessional transmission charges or</li> <li>(ii) waiver or concessional wheeling charges or</li> </ul> </li> </ul>	<p><b>4. Eligibility for Issuance of Certificates</b></p> <p>(1) Following entities shall be eligible for issuance of Certificates:</p> <ul style="list-style-type: none"> <li><b>(a) Renewable energy generating station</b></li> <li><b>(b) Captive generating station based on renewable energy sources,</b></li> <li><b>(c) Open access consumer</b></li> </ul> <p>(2) A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions:</p> <ul style="list-style-type: none"> <li>(a) the tariff of such renewable energy generating station has not been either determined or adopted under section 62 or section 63 of the Act, or the electricity generated is not sold either through an electricity trader or in the Power Exchange, for RPO compliance by an obligated entity;</li> <li><b>(b) such renewable energy generating station has not availed any</b> <ul style="list-style-type: none"> <li><b>(i) waiver or concessional transmission charges or</b></li> <li><b>(ii) waiver or concessional wheeling charges</b></li> </ul> </li> </ul>	<p><b>We would like to submit regarding Regulation 4 (1) (d) and 4 (4) that mostly Distribution Licensees are purchasing RE power for compliance of their RPO target under PPA at a tariff determined under Section 62 or adopted under Section 63 of the Act wherein the electricity component and environmental attributes has in bundled form.</b></p> <p>Hence if the Distribution Licensees have allowed to sell purchased electricity from renewable energy sources which is in excess of the renewable purchase obligation determined by the State Commission, in the form of REC under this Proposed Regulation then it shall be resulted in to double accounting of environmental attribute which is against the objective of the aforesaid Regulations.</p> <p>Further in the proposed Regulations renewable energy generating station shall not be eligible for issuance of Certificates, if the tariff of such renewable energy generating station has been either determined or adopted under section 62 or section 63 of the Act, or the electricity generated is sold either through an electricity trader or in the Power Exchange, for RPO compliance by an obligated entity.</p> <p>Hence in view of the Hon'ble Commission cannot treat differently Distribution Licensees and renewable energy</p>

	<p>(iii) facility of banking of electricity.</p> <p>(3) Captive generating stations based on renewable energy sources and meeting the conditions as specified under clause (2) of this Regulation in respect of renewable energy generating stations shall be eligible for issuance of Certificates:</p> <p>Provided that the Certificates issued to such captive generating stations to the extent of self consumption, shall not be eligible for sale.</p> <p>(4) An obligated entity being a distribution licensee or an open access consumer, which purchases electricity from renewable energy sources in excess of the renewable purchase obligation determined by the State Commission shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from renewable energy sources.</p>	<p>(3) Captive generating stations based on renewable energy sources and meeting the conditions as specified under clause (2) of this Regulation in respect of renewable energy generating stations shall be eligible for issuance of Certificates:</p> <p>Provided that the Certificates issued to such captive generating stations to the extent of self consumption, shall not be eligible for sale.</p> <p><b>(4) An obligated entity being an open access consumer, which purchases electricity from renewable energy sources in excess of the renewable purchase obligation determined by the State Commission shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from renewable energy sources.</b></p>	<p>generating station on the same principle envisaged in this proposed Regulations.</p> <p>Regarding Regulation 4 (2) (iii), We would like to submit that banking facility is must for renewable energy generating station specifically for Wind Generators to become economical viable as most of the Generation shall be generated by Wind Generators in peak season, hence if renewable energy generating station (Specifically Wind Generators) who has availed the banking facility will not be allowed to sell REC then it may affect the viability of such Generating Station.</p> <p>In other hand if Renewable energy generating station has allowed to sell REC though they have availed banking facility then it will create opportunity for RE Investor to invest in REC sector which will ultimately help to achieve the target of 227 GW Generation by RE Sources set by the Hon'ble Government of India. Further it has to be noted that Banking facility is availed by paying the banking Charges by RE Generators.</p> <p>Hence, we kindly request the Hon'ble Commission to consider the amended clause proposed by us.</p>
2	<p><b>8. Grant of Registration for Certificates</b></p> <p>(1) An eligible entity which has been granted accreditation for Certificates or deemed to have been granted accreditation for Certificates under these regulations, shall be eligible for grant of registration for Certificates by the Central Agency in accordance with the Procedure for Registration for Certificate to be issued by the Central Agency as part of the Detailed Procedure:</p> <p>Provided that the entities granted registration for Certificates under the REC Regulations, 2010 shall be deemed to have been granted registration for Certificates under these regulations.</p> <p>(2) The registration for Certificates granted in terms of these regulations shall be valid for 15 years from the date of registration</p>		<p>We welcome this step introduced by the Hon'ble Commission which doesn't create ambiguity and treated an eligible entity in same way under this proposed Regulation irrespective of whether they have granted registration for Certificates under the REC Regulations, 2010 or will grant registration for Certificates under this Proposed Regulation.</p>

	<p>for Certificates: Provided that the registration for Certificates granted under the REC Regulations, 2010 and deemed to have been granted registration for Certificates under these regulations shall be valid for a period of 15 years from the date of deemed registration for such Certificate.</p> <p>(3) The entities having been granted registration for Certificates which have undergone change in name or change in legal status after the grant of registration for Certificates, shall inform, along with relevant documents from the appropriate authority such as Registrar of Companies or National Company Law Tribunal or any other Court, to the Central Agency which shall, upon verification of documents update such change in its records within 30 days from the date of such application.</p>		
3	<p><b>13. Pricing of Certificates</b></p> <p>(1) The price of Certificate shall be as discovered in the Power Exchange(s) or as mutually agreed between eligible entities and the electricity traders:</p> <p>Provided 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.</p> <p>(2) 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:</p> <ul style="list-style-type: none"> <li>(a) Abnormal increase or decrease in prices of Certificates;</li> <li>(b) Sudden volatility in the prices of Certificates;</li> <li>(c) Sudden high or low transaction volumes of Certificates on a Power Exchange.</li> </ul>	<p><b>13. Pricing of Certificates</b></p> <p>(1) The price of Certificate shall be as discovered in the Power Exchange(s) or as mutually agreed between eligible entities and the electricity traders:</p> <p>Provided that floor price for <b>REC is Rs.1000/REC</b> and 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.</p> <p>(2) 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:</p> <ul style="list-style-type: none"> <li>(a) Abnormal increase or decrease in prices of Certificates;</li> <li>(b) Sudden volatility in the prices of Certificates;</li> </ul> <p>Sudden high or low transaction volumes of Certificates on a Power Exchange.</p>	<p>We welcome the Regulation 13(1) introduced by the Hon'ble Commission wherein price of Certificate also shall be discovered as mutually agreed between eligible entities and the electricity traders. This will create alternative mechanism for renewable energy generating Stations to sell REC through traders.</p> <p>However as mentioned in the Statement of Reason (at Para 1.7, Page No 4 Table-3), the total REC Inventory as on Feb 2022 is 34,30,162.</p> <p>Further the Cleared Volume of REC and cleared price of REC will be depended upon Buy Bid (REC) and Sell Bid (REC) (depended upon supply and demand of REC in the market).</p> <p>Hence to provide certainty in case the REC Inventory will increase due low demand of REC in the market which shall affect the cleared price of REC, we request the Hon'ble Commission to fix floor price at Rs.1000/REC at all the times which will ensure or guarantee minimum returns at all times to the RE Investor who has invested in RE Sector through REC Route irrespective of supply and demand of REC in the market and also eliminate uncertainty of REC Price.</p>

			Further the Hon'ble Commission has to provide the detail reasoning as to why they have proposed to do away with floor and forbearance price of REC in this proposed Regulations.										
4	<p><b>12. Denomination of Certificate</b></p> <p>(1) Each Certificate issued under these regulations shall represent one Megawatt hour of electricity generated from renewable energy sources and injected or deemed to be injected (in case of self-consumption by eligible captive generating station based on renewable energy sources) into the grid:</p> <p>Provided that Certificate Multiplier may be determined by the Commission as per clause (2) of this Regulation: Provided further that Certificates shall be issued in multiple of the assigned Certificate Multiplier as per clause (2) of this Regulation for one Megawatt hour of electricity generated and injected or deemed to be injected into the grid.</p> <p>(2) The Certificate Multiplier 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, as determined in <b>Appendix-1</b> shall be as under:</p> <table border="1" data-bbox="282 943 1037 1320"> <thead> <tr> <th data-bbox="282 943 661 1045"><b>Renewable Energy Technologies</b></th> <th data-bbox="661 943 1037 1045"><b>Certificate Multiplier</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="282 1045 661 1081">On-shore Wind and Solar</td> <td data-bbox="661 1045 1037 1081"><b>1</b></td> </tr> <tr> <td data-bbox="282 1081 661 1117">Hydro</td> <td data-bbox="661 1081 1037 1117"><b>1.5</b></td> </tr> <tr> <td data-bbox="282 1117 661 1252">Municipal Solid Waste (MSW) and non-fossil fuel-based cogeneration</td> <td data-bbox="661 1117 1037 1252"><b>2</b></td> </tr> <tr> <td data-bbox="282 1252 661 1320">Biomass and Biofuel</td> <td data-bbox="661 1252 1037 1320"><b>2.5</b></td> </tr> </tbody> </table> <p>Provided that the Certificate Multiplier for other renewable energy technologies, not covered in the above table, shall be notified by the Commission on a case-to-case basis based on</p>	<b>Renewable Energy Technologies</b>	<b>Certificate Multiplier</b>	On-shore Wind and Solar	<b>1</b>	Hydro	<b>1.5</b>	Municipal Solid Waste (MSW) and non-fossil fuel-based cogeneration	<b>2</b>	Biomass and Biofuel	<b>2.5</b>		We request the Hon'ble Commission to provide more clarity on multiplier for the existing and old RE Generator who are selling RECs under existing Regulation.
<b>Renewable Energy Technologies</b>	<b>Certificate Multiplier</b>												
On-shore Wind and Solar	<b>1</b>												
Hydro	<b>1.5</b>												
Municipal Solid Waste (MSW) and non-fossil fuel-based cogeneration	<b>2</b>												
Biomass and Biofuel	<b>2.5</b>												

	<p>the principles stipulated in Appendix-1:</p> <p>Provided further that the Commission may, from time to time, based on review of the maturity level and cost of various renewable energy technologies, revise the Certificate Multiplier.</p> <p>(3) Applicable Certificate multiplier as per clause (2) of this Regulation shall be assigned to the renewable energy generating stations and captive generating stations based on renewable energy sources, commissioned after the date of effect of these regulations.</p> <p>(4) The Certificate Multiplier once assigned to a renewable energy generating station, shall remain valid for a period of fifteen years from the date of commissioning of such renewable energy generating station or captive generating station based on renewable energy sources.</p>		
5	<p><b>10. Issuance of Certificates</b></p> <p>(1) An eligible entity which has been granted registration for Certificates or deemed to have been granted registration for Certificates may apply for issuance of Certificates, to the Central Agency in accordance with the Procedure of Issuance of Certificate to be issued by the Central Agency as part of the Detailed Procedure.</p> <p>(2) Application for issuance of Certificates shall be made to the Central Agency within six months from the corresponding generation by the eligible entity:</p> <p>Provided that no Certificate shall be issued for applications made beyond the period of six months from corresponding generation.</p> <p>(3) The Central Agency shall, within fifteen days from the date of receipt of complete application for issuance of Certificate by the eligible entities, issue Certificate or reject the application recording reason for such rejection and intimate the same to the concerned entity.</p> <p>(4) The Certificates shall be issued on the basis of the electricity generated and injected into the grid or deemed to be injected in</p>		<p>We welcome this step introduced by the Hon'ble Commission under this Proposed Regulations wherein Categorisation of certificates as solar and non-solar has been dispensed with.</p> <p>This will simplify procedure.</p>

<p>case of self-consumption by the eligible captive generating stations based on renewable energy sources and duly accounted in the Energy Accounting System:</p> <ul style="list-style-type: none"><li>(i) as per the Grid Code or the State Grid Code, as the case may be, or</li><li>(ii) based on written communication of distribution licensee to the concerned State Load Despatch Centre or Regional Load Despatch Centre with regard to the energy input by the renewable energy generating stations and captive generating stations based on renewable energy sources which are not covered under the existing scheduling and despatch procedures.</li></ul> <p>(5) The entities granted registration for Certificates or deemed to have been granted registration for Certificates under these regulations shall be eligible for issuance of Certificates for the validity period of their registration for Certificates.</p>		
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