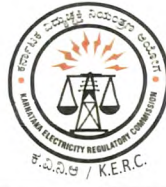


ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



48162/2022/KERC

KARNATAKA ELECTRICITY
REGULATORY COMMISSION

ಸಂಖ್ಯೆ : 16 ಸಿ-1, ಮಿಲ್ಲರ್ಸ್ ಟ್ಯಾಂಕ್ ಬೆಡ್ ವರಿಯ,
ವಸಂತನಗರ, ಬೆಂಗಳೂರು - 560052.

No. 16 C-1, Millers Tank Bed Area,
Vasanthanagara, Bengaluru-560052.

KERC/JTC/Miscellaneous (01)/18-19/

1573

Date: 10.03.2022

The Secretary,
Central Electricity Regulatory Commission
3 rd & 4 th Floor, Chanderlo Building,
36, Janpath, New Delhi- 110 001

Sir,

Sub: Comments on the draft CERC (Terms and Conditions for Renewable Energy
Certificates for Renewable Energy Generation) Regulations, 2022

Please find enclosed herein, the comments on the draft CERC (Terms and Conditions for
Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, for
kind consideration and further needful.

Yours faithfully,

Devi

Secretary

for Karnataka Electricity Regulatory Commission

Enclosure: Comments on draft CERC (Terms and Conditions for Renewable Energy Certificates for
Renewable Energy Generation) Regulations, 2022.

Comments on the notification dated 15.02.2022 on the draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022:

1. Renewable certificate multiplier should be applicable to all the eligible entities as defined under 4(1) of the draft regulations for issuance of certificates.
2. GoI passed orders detailing policy measures to promote Hydro-Power, which included treating of Large Hydro Projects including pumped storage projects (Greater than 25 MW capacity) having Commercial Operation Date (CoD) after 08.03.2019, as RE source and to specify HPO, making mandatory purchase of power from such sources. As such MoP has prescribed the above HPO. (O.M. dated 08.03.2019 of MoP has considered LHPs as RE source, specifying of HPO, tariff rationalisation to bring down Hydro tariff, budgetary support for Flood Moderation / Storage Hydro Electric Projects (HEPs) & Budgetary Support to Cost of Enabling Infrastructure, i.e., roads / bridges). HPO is to be met from 70% of the total generated capacity, for a period of 12-years from Hydro Projects commissioned between 08.03.2019 to 31.03.2030. The 70% mentioned above, does not include free power supply to the State Government and for Local Area Development Fund (LADF). The HPO can be met by Hydro Energy Certificates(HECs). The MoP has determined the capping price for HEC as Rs. 5.50/Unit for the Electrical Energy with effect from 08.03.2019 to 31.03.2021 and has provided an escalation of 5% per Annum, thereafter. **MoP order dated 29.01.2021 mandates CERC to develop HEC mechanism.** Thus, It should be clarified as to whether Certificate multiplier of 1.5 as specified

for 'Hydro' is applicable to both small hydro power plants and Large hydro power plants uniformly without any consideration towards the problems (R&R, delay in project due to environment clearances, etc.) associated with establishment of large hydro power plants and also specify mechanism for meeting HPO through HECs.

3. Infinite validity of certificates until redemption, may result in hoarding of REC certificates. The 5-year validity period may be retained.
4. To avoid double accounting of the same Renewable energy to obtain RECs through Traders as well as power market, fool-proof mechanism has to be specified.
5. Regulation 10(2) of the draft Regulations specifies that the 'Application for issuance of Certificates shall be made to the Central Agency within six months from the corresponding generation by the eligible entity'. In this regard, the Karnataka Electricity Regulatory Commission would like to state that the final energy balancing of purchased power takes place after the closure of that financial year and the RPO quantity and surplus RE energy to be considered for REC will be known only after energy balancing. Thus, **the application for issuance of Certificates (to the distribution companies) may be extended from six months' period to minimum one year from the closure of the Financial year of purchase of power.**
