



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

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Ref: LKD:Engg:rrt:1788

Date: 15.03.2022

To,

The Secretary

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

Sub: Comments/suggestions on Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

Ref: CERC Notification (Draft) No. RA-14026(11)/1/2022-CERC dated 15.02.2022

Hon'ble Sir,

We, Pudumjee Paper Products Limited are in the manufacturing of specialty grade of paper and our company is registered under the Companies Act, 1956 having its Registered Office at Thergaon, Pune – 411033.

We have our Wind Turbine Generation (WTG) project at District Dhule and Nandurbar in the State of Maharashtra. The said WTG projects have been commissioned in the year 2006. We have also solar project installed under group captive in district Solapur and its power is used as captive consumption and also for meeting RPO.

We are happy to note that Hon'ble Commission has published draft notification "CERC" (Terms and Conditions for REC for RE Generation) Regulations, 2022. This Regulation will allow following entities eligible for issuance of certificates.

- (a) Renewable energy generating station,
- (b) Captive generating station based on renewable energy sources,
- (c) Distribution licensee, and
- (d) Open access consumer

Presently RE Generator and Consumers of the State of Maharashtra are heavily burdened with exorbitant open access charges, Forecasting and Scheduling charges, local taxes, etc. which is making the project unviable. These charges have already resulted in decline trend of development of new Renewable Energy Projects. Allowing REC Framework to the captive generating projects and captive consumers will give some support to Renewable Energy project developers.

We have carefully studied the above draft regulation and would like to request Hon'ble CERC to add our suggestions in the regulations as mentioned in enclosed **Annexure-1**.

Thanking you,

Yours Faithfully

For Pudumjee Paper Products Limited

Lalji K Dwivedi
Sr. DGM (Engineering)



ISO 22000: 2005
RH91/10093



ISO 9001:2015
PCMS/QMS/16292018



ISO 14001:2015
IND 16.8578/U/E



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

Sr. No.	Reference clause	Proposed Clause	Proposed amendment	Rationale
1	4(3)	<p>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>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 <i>Renewable Purchase Obligation determined by the State Commission</i>, shall not be eligible for sale.</p>	<p>As per the prevailing laws/regulations to qualify as a captive plant the consumers are required to at least consume 51% of the generation from the plant on annual basis. In practice the capacity of captive power plant is ascertained in such a way, so that all of the electricity generated from such plant is consumed by captive consumer.</p> <p>The proviso of the proposed clause restricts the captive consumers to trade Renewable Energy Certificates ("REC(s)" issued up to the extent of self-consumption.</p> <p>As per the proposed clause, under all scenarios the captive consumer shall not be eligible to trade at least 51% of the REC issued, which may increase to 100%. This will act as a deterrent for any consumer to participate in REC scheme.</p> <p>It will be worth noting that, to meet the eligibility conditions to participate in the REC scheme, the captive consumer will already be foregoing all the benefits extended in form of concessional wheeling charges, transmission charges and banking facility. Further restrictions</p>

				<p>by not allowing trading of REC issued up to the self-consumption will discriminate captive consumers with respect to other OA consumers.</p> <p>Further, we agree to that captive consumer falls under the ambit of Renewable Purchase Obligations as mandated by State commission and putting restrictions in terms of not allowing REC trades up to such extent seems rationale.</p> <p>In view of Above we request you to kindly consider suggestion and amend the clause as proposed.</p>
2	8(2)	The registration for Certificates granted in terms of these regulations shall be valid for 15 years from the date of registration for Certificates.	The registration for Certificates <i>and accreditation</i> granted in terms of these regulations shall be valid for 15 years from the date of registration for Certificates.	<p>Since the registration for certificates will be valid for 15 years the accreditation period should also be extended for 15 years to align with the period of certificate registration.</p> <p>This will save cost and efforts of generators which requires towards approaching State Agency 3 times during the registration validity period.</p> <p>In view of above we request you to kindly consider suggestion and amend the clause as proposed.</p>
3	11(2)	The Certificates shall be exchanged through power exchanges or through electricity traders in such periodicity as may be stipulated by the Central Agency in the Detailed Procedure.	The Certificates shall be exchanged through power exchanges or through electricity traders <i>bilaterally between the parties with/without electricity trader</i> in such periodicity as may be stipulated by the Central Agency in the Detailed Procedure.	The exchange of certificate should be allowed between parties with/without involving trader. Mandatory provision for involvement of an electricity trader will bestow it with unequal bargaining power, leading to charging of unfair margins.

				<p>We understand that there is a requirement of reporting of REC trade price, same can be handled by the Seller as under a bilateral arrangement the seller will be one of the parties and will have an account on central Agency portal through which reporting can be done.</p> <p>Further, as an alternative if the electricity trader has to be a mandatory part of bilateral transaction, we suggest to put cap on the charges which may be charged for providing such services.</p> <p>In view of Above we request you to kindly consider suggestion and amend the clause as proposed.</p>
4	11(7)	<p>The Certificates issued to captive generating stations based on renewable energy sources to the extent of self-consumption shall stand redeemed on compliance of RPO.</p> <p>Provided that the State Agency shall inform the Central Agency about such redemption of Certificates, upon which the Central Agency shall extinguish such Certificates and update its records.</p>	<p>The Certificates issued to captive generating stations based on renewable energy sources to the extent of self-consumption shall stand redeemed on compliance of RPO.</p> <p><u>Provided that in case if the Quantity of Certificates issued to captive generating stations based on self-consumption from Renewable Energy sources is more than the requirement for RPO compliance then, surplus Certificates in excess of RPO compliance will be allowed for sale.</u></p> <p>Provided that the State Agency shall inform the Central Agency about such redemption of Certificates, upon which the Central Agency shall extinguish</p>	<p>Wind Turbine Generation (WTG) project are installed with huge investments. Project ROI was calculated on the basis of applicable open access Transmission and Wheeling charges, non-applicability of ASC and CSS, exemption of Electricity Duty and Tax on Sale etc. prevailing at the time of WTG installation.</p> <p>The above charges are increased exorbitantly in the state of Maharashtra. Also the generator has to pay various other charges and Fees such as local taxes, O&M charges and newly introduced Forecasting and scheduling charges.</p> <p>Initially, all RE projects were eligible for REC framework as per REC regulations</p>

			such Certificates and update its records.	2010. In the year 2016, CERC excluded captive generating stations from REC Framework. Bringing captive generating stations based on renewable energy sources would give some relief in meeting ROI target and in view of the Above we request you to kindly consider suggestion and amend the clause as proposed.
5	13(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: 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.	The price of Certificate shall be as discovered in the Power Exchange(s) or as mutually agreed between eligible entities <u>i.e. buyer and seller</u> and the electricity traders : Provided that the Power Exchange(s) and the electricity traders <u>seller</u> shall report all transactions with details including but not limited to volume, price, buyers and sellers to the Central Agency on a monthly basis.	The amendment is suggested to align the regulations with suggestions made under item no.2 and request you to kindly consider suggestion and amend the clause as proposed.
6	15	The Commission may, based on the proposal from the Central Agency, determine the fees and charges payable by the eligible entities for accreditation, registration, issuance of Certificates and other matters connected therewith.	-	Since the value of RECs have been on a downfall trend, the associated expenses towards Accreditation /Registration and Issuance should also be amended appropriately so that adequate recovery is obtained by the RE generator.

For Pudumjee Paper Products Limited

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Lalji K Dwivedi
Sr. DGM (Engineering)

