

Date: 15.03.2022

To,
Chairperson,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001.

Ref: Public Notice No. RA-14026(11)/1/2022-CERC

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

Dear Sir,

This is with reference to the above subject wherein Hon'ble Central Commission by way of the Notice cited under ref above dated 15.02.2022 sought comments on the proposed Draft Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Thus, Vedanta Limited hereby submits comments on Draft Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

Thanking you.

Yours faithfully,


Authorised Signatory

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

In reference to the above cited draft regulation issued by Hon'ble CERC for Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation Regulations, 2022 we submit our comments as under:

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.

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). 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. However, during the last decade there has been a vast development happened in terms of availability, cost, technology, and the policy framework in the area of Renewable Energy which supports the green power sector and enable it to grow exponentially. In this proposed draft Hon'bel CERC has done away the categorisation of REC certification in solar and non-solar, & floor and forbearance price mechanism which is highly desired in present scenario.

Therefore, we are hereby submitting our comments on draft regulation and praying to allow us to appear before Hon'ble Commission on the day of public hearing.

1: Draft Regulation proposed clause no 4

" 4. Eligibility for issuance of Certificates

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(2) A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions: (a)

(b) 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.

Stakeholder's Comments:

It is proposed that clause (b) has to be removed.

~~(b) such renewable energy generating station has not availed any (i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges or~~

Rationale: The explanatory memorandum provided by Hon'ble Commission stated that the intent of setting up renewable energy station by captive consumers is to fulfil its renewable purchase obligation. This implied notion focused only one aspect of a consumer i.e., RPO compliance. However, MOP order no :23/12/2016 -R&R dtd 30.11.2021 allowing industries to install captive RE capacities beyond RPO compliance. Several captive RE consumers are willing to install RE capacities to beyond RPO compliance to avail the various incentives extended to them.

As per proposed draft regulation RE Captive generators who would avail any transmission waiver would not be eligible for RECs. This may create a roadblock for installation of RE capacities beyond RPO requirement. As such REC framework is aimed at increasing the overall renewable energy capacity in the country. The transmission charge waiver proposed by MOP is a kind of universal waiver i.e extended to Distribution Companies too. Thus, it is very unlikely that due to transmission charge waiver REC market would be skewed.

In view of the above it is a humble request to withdraw the proposed clause no (4),(2) (b).

The above is for your kind consideration.