



HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION

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Dated:- 15.03.2022

To



The Secretary
Central Electricity Regulatory Commission,
3rd Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001.

Subject: Comments/suggestions on the Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Sir,

A reference is invited to CERC Public Notice No. RA-14026(11)/1/2022-CERC dated 15th February, 2022 vide which comments/suggestions/objections have been invited on the draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022. Having gone through the draft Regulations carefully, the following comments/suggestions on the draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 are submitted:-

1. In the State of Himachal Pradesh, a number of small hydro electric projects before commencement of the Electricity Act, 2003 have signed MOUs/IAs with the State Government for setting up the projects and subsequently PPAs were signed on long term basis i.e. for useful life of the project at a defined tariff, fixed by the State Government/mutual agreed by the generator(s) and Discom which was later allowed by the Commission but not determined under Section 62 of the Electricity Act, 2003, while approving the PPAs under Section 86 (1) (b) of the Electricity Act, 2003. The preferential tariff determined under Section 62 of the Electricity Act, 2003 by this Commission has been made available to small hydro projects with effect from July, 2006.

To give more clarity and to avoid ambiguity regarding eligibility of such RE generators for issuance of certificates, the Regulation (4) of proposed draft Regulations may require further clarity. It is suggested that insertion of the following explanation may please be considered after Clause (a) of Sub-Regulation (2) of Regulation 4 of the draft Regulations:

“Explanation.- The renewable energy project(s), where PPA(s) on long term basis i.e. for useful life of the project has been signed, after approval of the Commission under Section 86 (1)(b) of the Act, before commencement of REC Regulations, 2010 i.e. 18th January, 2010 by the project developer and distribution licensee at a mutually agreed tariff or tariff fixed/notified by the State Government, shall not be eligible for issuance of certificates.”

2. As per the procedure approved by the CERC under REC Regulations, 2010, an eligible renewable energy generator including an eligible captive generating plant shall be permitted to retain the certificates for offsetting its renewable purchase obligation (RPO) as a consumer subject to certification and verification by the concerned State Agency. However, such facility of redemption through self-retention (from the available inventory of certificates) is not extended to the distribution licensee to fulfil their shortfall of RPO in the ensuing years despite them being 'eligible entity' under the REC Regulations, 2010. **This issue was raised in the 76th Meeting of FOR by the HPERC and as per MoM, it was stated that this issue would be considered as and when REC framework is reviewed by the CERC.**

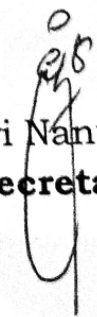
Therefore, the Central Commission is requested to extend the provision of self-retention of the RECs, to the eligible distribution licensee also and following may please be added after Sub-regulation (7) of Regulation 11 of draft Regulations, 2022:

“(8) The Certificates issued to the distribution licensee under Sub-Regulation (4) of Regulation 4 may be used for meeting RPO shortfall, if any, in the ensuing years and such equivalent quantum of certificates shall stand redeemed:

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.”

3. Since procurement of brown power by the distribution licensee(s) under APPC framework is no longer a part of REC mechanism as per the proposed draft Regulations, the methodology to be adopted by the SERCs, for fixing the price of brown power procurement by the distribution licensee from different RE technologies, may need clarity in the Regulations or may require further discussion/deliberation in the FOR.

Yours faithfully,


(Chhavi Nanta), HPAS
Secretary