



FICCI's Representation on Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

Submitted to:

Central Electricity Regulatory Commission

Submitted to Ministry of Power on 25th Mar-2022

Recommendations on Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

A) CERC, vide Notification No. RA-14026(11)/1/2022-CERC, dated 15th February 2022 has invited comments from the stakeholders on the Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 by 25.03.2022.

B) In this regard, FICCI’s comments/suggestions are the following:

Sl. No.	Regulation	Proposed Amendments	Comments / Suggestions
1	Regulation 2(o) 'renewable energy sources' means sources of renewable energy such as hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste and such other sources as recognized or approved by the Central Government;	Regulation 2(o) 'renewable energy sources' means sources of renewable energy such as hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal or industrial waste and such other sources, <i>(which are generally inexhaustible and can be replenished in a short period of time)</i> as recognized or approved	<ul style="list-style-type: none"> The words “its integration with” create ambiguity and seem restrictive to co-generation power plants as it can be inferred that only solar wind and hydro in single mode or in integration with other combined cycle sources will be considered as RE sources. It is hence proposed to suitably amend the definition of renewable energy sources to provide clarity and provide level playing field to cogeneration plants keeping the spirit of Section 86(1)(e) of the Electricity Act, 2003 which provides for promoting both co-generation and generation of electricity from renewable sources of energy by suitable measures. A similar definition as suggested finds mention in some of the SERC Regulations. The proposed definition also includes industrial waste as one of the renewable energy sources to provide required support to cogeneration plants based on industrial wastes. Recent HC Judgement on M/s. Bengal Energy Limited & Anr. vs. The West

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		by the Central Government;	<p>Bengal Electricity Regulatory Commission & Ors (WPA 19091 of 2021) dated 15-3-2022, has also upheld as follows:</p> <ol style="list-style-type: none"> 1. <i>“Clause 6.4 (1) of the National Tariff Policy, 2016 clearly stipulates that cogeneration from sources other than renewable sources shall not be excluded from the applicability of RPOs.”</i> 2. <i>““co-generation”, in the same breath, can signify a process using energy and a source of energy (including electrical energy). Taken in the second sense, such source would have characteristics of a “renewable” alternative energy source from the perspective of a distribution licensee. From such perspective, “industrial waste” along with municipal and urban waste, is a renewable source of the co-generated electricity, since such source can replenish itself with reasonable frequency.”</i> 3. <i>“The sub-classification of co-generation into co-generation from renewable and non-renewable sources does not find place in the governing statute, that is, the 2003 Act..... Thus, such sub-classification even if otherwise rational (since both co-generation and generation from renewable sources may have common features), is alien to the statute and the Tariff Regulations and is, thus, amenable to challenge.”</i> <p>In view of the above, co-generation facility based on industrial waste should also qualify for issue of RECs subject to the provisions contained in the proposed Draft Regulations</p>