



CAPTIVE POWER PRODUCERS ASSOCIATION

(Registered U/sec. 25 of Company Act 1956 & Certificate of IT 12AA CIN: U91990MH2003GAP141611)

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To,

Date :9th Mar, 2022

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

Sub: Seeking comment on Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Dear Sir,

This has reference to subject as mentioned above, whereby you are seeking comments on the proposed Draft (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

Captive Power Producers Association (“CPPA”) is representing the interest of Industries in Maharashtra and Gujarat having captive power plants at their industries in these States fulfilling the energy requirement of their industries through captively produced power having Captive generation plants. As on today, there are more than 50 active members of CPPA.

Please find our detailed comments on the proposed Draft Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation Regulations, 2022 at **Annexure – 1** to this letter.

Request you to consider our comments while finalising the Regulation. Also, request you to provide us an opportunity to make presentation on our proposal.

Thanking you,
Your Sincerely,

For **Captive Power Producers Association**

Nitin S Ghorpade
Director - CPPA

Encl: As Above

Annexure - I

Comments on CERC Draft Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation Regulations, 2022.

Sr No	Proposed Regulation	Suggestion	Justification /Rationale
1	Definition: -2.1.(O) 'Renewable energy sources' means sources of renewable energy such as hydro, wind, solar including its integration with combined cycle, biomass, biofuel cogeneration, urban or municipal waste and such other sources as recognized or approved by the Central Government;	Definition 2.1.(O) should be replaced as below: Renewable energy sources' means sources of renewable energy such as hydro, wind, solar including its integration with combined cycle, biomass, Biomass Cofiring , bio fuel cogeneration, urban or municipal waste and such other sources as recognized or approved by the Central Government;	1. Biomass co-firing Adds biomass as a partial substitute fuel in high efficiency coal boilers. Co-firing biomass pellets with coal is a promising strategy for reducing GHG emissions from coal-based power plants. 2. Hence, as the Biomass is RE Source, so Power generated through Biomass Cofiring should be included in definition RE Sources.
2.	Regulation 4. Eligibility for Issuance of Certificates. b) Captive generating station based on renewable energy sources .	Please amend as: b) Captive generating station based on renewable energy sources Including power generated through Biomass cofiring Units.	1.Exclusion of Word "Biomass cofiring Units" will create unnecessary confusion and it will be difficult to claim the REC. Hence, power generated through Biomass cofiring Units should be added in Regulation 4 (b) along with Captive generating station based on renewable energy sources for the purpose of Eligibility for Issuance of Certificate.
3	Regulation 4 (3) First proviso,	To be amended as:	1. Regulation 4 (3) First proviso discriminates the Renewable Energy generator and Captive

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	<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>Provided that the Certificates issued to such captive generating stations to the extent of self-consumption, shall also be eligible for sale.</p>	<p>generating station wrt eligibility to sale the RE power.</p> <ol style="list-style-type: none"> 2. Additionally, allowing Captive generating station to sale the power will add liquidity in the market (Exchange/Bilaterally in open Market) hence, it will be more competitive market. 3. There shall not be any difference whether the Obligated entity is buying power from third party or generate themselves through captive generation. 4. It is understood that the RECs which are self-consumed to meet RPO cannot be sold in Market. However, the CPP shall be allowed to sell balance RECs otherwise there is no use / benefit of issuance of RECs to CPPs
4	<p>Regulation 8 (2) Grant of Registration for Certificates: - The registration for Certificates granted in terms of these regulations shall be valid for 15 years from the date of registration for Certificates</p>	<p>The clause to be deleted.</p>	<ol style="list-style-type: none"> 1. There shall not be any Limitation or capping of years on the project registration. It should be allowed till the Project life unless it's Exited on own willingness /any other specified reasons by RE generator.
5	<p>Regulation 10.4 Issuance of Certificates</p>	<p>New Clause to be added: - Energy Injection data certified by State authorities should be considered for issuance of REC</p>	<ol style="list-style-type: none"> 1. Data verified by SNA/SLDC / Discom or Electrical Inspector should be considered for energy Injection Report.

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6	<p>Regulation 12. (3) Denomination of Certificate.</p> <p>Applicable Certificate multiplier as per clause (2) of this Regulation shall be assigned to the renewable energy generating stations and captive generating stations based on renewable energy sources, commissioned after the date of effect of these regulations</p>	<p>Regulation 12 (3) to be Replaced as: -</p> <p>Applicable Certificate multiplier as per clause (2) of this Regulation shall be assigned to the renewable energy generating stations and captive generating stations based on renewable energy sources commissioned as on the date of effect of these regulations.</p>	<ol style="list-style-type: none"> 1. Issuance of certificate with multiplier to existing project will provide additional liquidity in the market. 2. The provision is biased against the projects which are under operations with same technology and there is no reason to exclude such projects

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7	<p>Regulation 12. Denomination of Certificate.</p> <p>New Proviso Should be added with regards to Open access consumer Consuming RE power</p>	<p>Below Proviso To be added as:</p> <p>Provided that, The Multiplier will be applicable on open access consumer, who purchases electricity from renewable energy sources in excess of the renewable purchase obligation determined by the State Commission shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from renewable energy sources.</p>	<ol style="list-style-type: none"> 1. Certificate Multiplier should be applicable to extent of purchase of such excess of electricity from renewable energy sources by OA consumer based on the sources as approved in this regulation. 2. REC should be issued in same proportion of certificate multiplier to OA consumer based on the RE power sourced. This will help to maintain the continuity of promotion of RE technologies as mentioned in the Appendix-1 of these Draft Regulations.
8	<p>Regulation 12. Denomination of Certificate</p> <p>12.2 Table for RE Technologies with certificate Multiplier</p>	<p>Following RE technologies should also be added in the Table along with the mentioned RE Technologies.</p> <ol style="list-style-type: none"> 1) Offshore wind 2) Energy Used to from Hydrogen and Energy-storage etc. 	<ol style="list-style-type: none"> 1. In the view of Promotion of New Technologies certificate Multiplier should be added.
9	<p>Regulation 12. Denomination of Certificate.</p>	<p>Below Proviso To be added as:</p> <p>Provided that, The Quantum of RE</p>	

Sr No	Proposed Regulation	Suggestion	Justification /Rationale
	New Proviso Should be added with regards to Self-Consumption for Consuming RE power	consumption against RPO And Consumption over and Above RPO shall be calculated after taking into Account the multiplier Factor provided under the regulation.	
10	Regulation 4. Eligibility for Issuance of Certificates 4.2.b (iii) facility of banking of electricity.	Banking Definition should be added as its Missing in Definitions 2.	
11	<p>Regulation 4. Eligibility for Issuance of Certificates 4.4</p> <p>An obligated entity being a distribution licensee or an open access consumer, which purchases electricity from renewable energy sources in excess of the renewable purchase obligation determined by the State Commission shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from renewable energy sources.</p>	<p>Regulation 4. Eligibility for Issuance of Certificates 4.4 Should Replace as below:</p> <p>An obligated entity being a distribution licensee or an open access consumer <u>Or Captive Consumer Sourcing Power through OA/Dedicated Line, Behind the meter arrangement</u> which purchases electricity from renewable energy sources in excess of the renewable purchase obligation determined by the State Commission shall be eligible for issuance of Certificates to the</p>	

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		extent of purchase of such excess electricity from renewable energy sources.	
12	<p>Pricing of Certificates. Regulation 13</p> <p>The price of Certificate shall be as discovered in the Power exchange(s) or as mutually agreed between eligible entities and the electricity traders:</p>	Floor and Forbearance price should be there.	Floor and Forbearance price should be there to protect interest of Buyer and Seller since RPO/REC is a promotional measure and not an instrument to make profit or unnecessary penalise very high amount to obligated entities.
13	<p>Pricing of Certificates. Regulation 13 (2)</p> <p>The Commission, on being satisfied that any of the following circumstances exist or is likely to occur, may by an order give such directions as may be considered necessary:</p> <p>(a) Abnormal increase or decrease in prices of Certificates.</p> <p>(b) Sudden volatility in the prices of Certificates.</p> <p>(c) Sudden high or low transaction volumes of Certificates on a Power Exchange</p>	<p>Below item Should added in Regulation 13. (2)</p> <p>d) Consistent trade taking place at very high or very Low price on account of very large demand supply gap, means the difference in quantum of sale bid and buy bid across Power exchange(s).</p>	<p>1) In order to avoid any gaming at Trader or exchange end due to the High price - volume Volatility. There should be Monitoring cell so that the Commission may intervene and take the appropriate action.</p>