



Arunachal Pradesh Power Corporation Pvt Ltd

In pursuant to the relevant provisions of section 66 read with Section 178 of the Electricity Act, 2003, and to encourage the usage of Renewable Energy and to enforce National Action Plan for Climate Change, the Central Electricity Regulatory Commission ("CERC") on 15/02/2022 has issued draft CERC (Terms and Conditions for Registration and Issuance of Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ("Draft REC Regulations, 2022"), in this regard, the CERC has invited comments from its stakeholders by 15/03/2022.

As a stakeholder, we, **Arunachal Pradesh Power Corporation Private Limited**, a Category II power trader bearing trading license no. 61/Trading/CERC/2012, have gone through the draft Regulations and would like to submit our Comments/ observation/ suggestions/ objections.

Concern regulations	Relevant Comments/ observations/ suggestions/ objections
Regulation 4	<p>Eligibility for Issuance of Certificates Regulation 4(2)(b)(iii):</p> <p>We hereby support this sub-regulation, however, we would request the Commission to consider that since banking transactions do not involve sale of energy (since the same is returned back to the source at a later date) and renewable component is not banked, the REC issuance should be allowed to the source on the energy which is banked.</p>
Regulation 11	<p>Exchange and Redemption of Certificates Regulation 11(2)(a):</p> <p>we understand that this clause has been incorporated to avoid the situation that the same RECs should not be placed for trading through both the power exchange and electricity traders. Therefore, we suggest that the concerned clause should be modified to the following extent:</p> <p><i>While placing the bid for selling the RECs on the power exchange the eligible entity shall ensure that the concerned RECs are not already committed to trading through the electricity traders.</i></p> <p><i>To curtail the aforesaid situation, the CERC should also specify penal provisions if the eligible entity fails to do so.</i></p> <p>Regulation 11(2)(e):</p> <p>RECs are used <i>in lieu of</i> energy for purpose of meeting environmental norms therefore the sale and purchase of RECs is not to be considered as sale and purchase of energy.</p> <p>Trading of RECs, therefore, should not be covered under the provisions of Trading Margin Regulations as provided under CERC (Procedure, Terms</p>



	<p>and Conditions for Grant of Trading License and Other Related Matters) Regulations, 2020.</p> <p>In this respect the CERC should provide further clarification on the quantum of trading margin to be charged by the electricity trader.</p> <p>Further, we request the CERC to consider a cap on the trading margin for electricity traders at 7 paise, since the traders are required to carry out extensive business development expenditures for trading in the same unlike the Energy Exchanges.</p>
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We would request the CERC to consider the above suggestions.

We would be happy to provide any clarification or elaboration regarding the same, if so desired by the CERC.

Please feel free to contact us at the following:

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Authorized Signatory