

To,
The Secretary,
CERC, New Delhi

Subject: Comments on Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation Regulation, 2022

Respected Sir,

This is in reference to the public notice No. RA-14026(11)/1/2022-CERC dated: 15-02-2022 issued by CERC on 'Draft Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.

We are pleased to share our views for the subject cited regulation and appreciate Hon'ble CERC's efforts for continuously developing the power market.

Our comments on the said notification are elaborated as under:

Clause 4(2)(a)

"The tariff of such renewable energy generating station has not been either determined or adopted under section 62 or section 63 of the Act, or the electricity generated is not sold either through an electricity trader or in the Power Exchange, for RPO compliance by an obligated entity;"

In our view the Hon'ble should permit the energy sold through an electricity trader or in the Power Exchange be eligible for Issuance of Certificates subject to the condition that the energy sold either through an electricity trader or in the Power Exchange is not used for fulfilment of RPO of obligated entity or sold on Green Markets (i.e., GDAM/GTAM). This will benefit the renewable energy generators and will also increase the inventory of REC in the market and the investment will further pickup for the renewable energy projects in REC projects.

Clause 4(4)

"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."

In our view the benefit of REC beyond the renewable purchase obligation of an obligated entity being a distribution licensee or an open access consumer should go to the renewable energy generators instead of an obligated entity because the main motive is to promote renewable energy generation and investment in renewable energy projects. The REC benefit should be given to the renewable energy generators in proportion to their contribution in excess to renewable purchase obligation of the obligated entity.

The Hon'ble commission should look beyond RPO and after the pandemic there is a sudden rise in demand for Net-Zero globally and we are also getting the same response for Indian companies as well. To cater the rising demand for renewable energy and to further promote investment in renewable energy the power exchanges and electricity trader will play a major role in bridging the gap. The Hon'ble commission must promote renewable energy generation beyond RPO by further allowing issuance of REC on electricity generated and sold either through an electricity trader or in the Power Exchange and benefit of the REC should go to renewable energy generators instead of the obligated entity beyond its RPO.

Regards

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Saini Power Transactor