

No: PCKL/A12/15/2020-21/ 8232-38

25 MAR 2022

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

Sir,

Sub: Comments / suggestion / views on the Draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

Ref: Notification No: RA-14026(11)/1/2022-CERC dtd 15.02.2022.

This has reference to the CERC Notification No: RA-14026(11)/1/2022-CERC dtd 15.02.2022 inviting comments /suggestion / views on the draft CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, PCKL is submitting following comments on the draft Regulation for kind consideration.

i) Definition –Renewable Purchase Obligation or RPO

Renewable purchase obligation' or 'RPO' means the requirement specified by the State Commissions under clause (e) of sub-section (1) of Section 86 of the Act for an entity to purchase electricity from renewable energy sources

Views of PCKL

Renewable purchase obligation' or 'RPO' means the requirement specified by the State Commissions under clause (e) of sub-section (1) of Section 86 of the Act for an entity including Distribution Licensee to purchase electricity

from renewable energy sources. This shall not be less than the target fixed by the MoP.

The RPO target for solar and non-solar should be clubbed and there shall be RPO target for the State not on each individual Distribution Licensee. Since, Ministry of Power has been fixed RPO target for the State but not for the individual Distribution Licensee. Under such circumstances, agency notified by the State on behalf of all ESCOMs shall be considered.

ii) Regulation 4(2)(a) – Eligibility for Issuance of Certificates

A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions: (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;

Views of PCKL

RE generators who have PPAs with ESCOMs at APPC cost or 75% of generic tariff determined by Commission whichever is lesser shall be included in the above clause. Presently, ESCOMs are not entitled for obtaining REC for the RE generator signed PPA at APPC cost or 75% of the generic tariff. If provision is made in the Regulation, allowing ESCOMs to obtain RE certificate for such energy, ESCOMs will continue to buy power from these source of power at APPC cost or 75% of the generic tariff as determined by Commission.

iii) Regulation 4(4) – Eligibility for Issuance of Certificates

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.

Views of PCKL

The Commission will verify the quantum of RE procured by Distribution Licensee against the RPO target during the course of annual performance review. Thereafter only, State Commission will recommend the excess quantum of solar and non-solar renewable energy eligible for RE certificate. As such, ESCOMs will need 2 years' time to obtain RE certificate.

It is requested to include above following provision in the current draft regulation

Further, Under the existing Regulations ESCOMs will get RE certificate only in excess of RPO as may be specified by the commission or in the National Action plan on Climate Change (NAPCC) or in the tariff policy, whichever is higher and any short fall in procurement against the non-solar or solar power procurement obligation set by the commission in the previous three years including the shortfall waived or carried forward by the said Commission shall be adjusted first and only the remaining additional procurement beyond the threshold RPO being that specified by the Commission or in the NAPCC or in the tariff policy whichever higher shall be considered.

Though the Karnataka ESCOMs fulfilled the RPO target set by the Commission and not eligible for RE certificate in view of the above. Therefore, it is requested to make provision in the regulation for distribution companies as follows

Distribution Companies having RPO in excess of both solar & non-solar(clubbed) target are eligible for RE in line with captive generators proposed in the draft regulation.

Views of PCKL

The State of Karnataka is pioneer to achieve the ambitious goal of Government of India to reach 175 GW by end of March 2022. But State achieved the target by end of 2019. RE capacity added earlier to comply the RPO targets set by State Commission, the price of solar RE was in the range of Rs 5.50 to Rs 12.50 per unit.

Therefore, commission has allowed REC combined of solar and non-solar from the year 2016 onwards as the target set by the commission to ESCOMS.

iv) 6. Grant of Accreditation for Certificates

(1) Accreditation for Certificates to the eligible entities connected to intra-State transmission system shall be granted by the State Agency:

Provided that the entities granted accreditation for Certificates under the REC Regulations, 2010 shall be deemed to have been granted accreditation for Certificates under these regulations till validity of their accreditation under the REC Regulations, 2010.

Views of PCKL

ESCOMs are to be included along with the generators and considered from the date of recommendation by the KERC for RE certificate.

v) 7. Revocation of Accreditation

The concerned RLDC, after making an enquiry and giving notice may revoke, recording reasons for such revocation, accreditation granted to an eligible entity referred to in clause (2) of Regulation 6 of these regulations in case the eligible

The SLDC is also issues accreditation to the intra state generators connected to the State network. The changes proposed as follows;

The concerned RLDC/SLDC, after making an enquiry and giving notice may revoke, recording reasons for such revocation, accreditation granted to an eligible entity referred to in clause (2) of Regulation 6 of these regulations in case the eligible

vi) 8. Grant of Registration for Certificate

Discoms will be added in the Registration for certificate

vii) 10. Issuance of Certificate

(2) Application for issuance of Certificates shall be made to the Central Agency within six months from the corresponding generation by the eligible entity:

Provided that no Certificate shall be issued for applications made beyond the period of six months from corresponding generation

Views of PCKL

The Commission will verify the quantum of RE procured by Distribution Licensee against the RPO target during the course of annual performance review. Thereafter only, State Commission will recommend the excess quantum of solar and non-solar renewable energy eligible for RE certificate. As such, ESCOMs will need 2 years' time to obtain RE certificate.

It is requested to include provision in the current draft regulation

viii) 10 (4)

The Certificates shall be issued on the basis of the electricity generated and injected into the grid or deemed to be injected in case of self-consumption by the eligible captive generating stations based on renewable energy sources and duly accounted in the Energy Accounting System.

Views of PCKL

Suitable provision shall be included for obtaining RE certificate for excess energy over and above RPO energy by ESCOMs.

- ix) 11 (2)** The Certificates shall be exchanged through power exchanges or through electricity traders in such periodicity as may be stipulated by the Central Agency in the Detailed Procedure.

Views of PCKL

If traders are allowed to trade RE certificate without any competitive bidding procedure and lack of transparency in efficient discover of price may result in market manipulation.

Traders may be allowed to procure RE certificate through DEEP portal similar to the procurement of power on short term basis. The same plot form may be used for long term procurement of RE certificate also.

- x) 12(2) Denomination of Certificate**

The Certificate Multiplier for the period of three years from the date of effect of these regulations or such other period as may be decided by the Commission, as determined in Appendix-1 shall be as under;

Renewable Energy Technologies	Certificate Multiplier
On-shore Wind and Solar	1
Hydro	1.5
Municipal Solid Waste (MSW) and non-fossil fuel-based cogeneration	2
Biomass and Biofuel	2.5

The above provision provides only for Renewable Energy Generator. It is requested to include the ESCOMs for procurement of power from RE generator from the above source shall also be eligible for multiplier certificate.

xi) 13 (1) Pricing of Certificates

The price of Certificate shall be as discovered in the Power Exchange(s) or as mutually agreed between eligible entities and the electricity traders: Provided that the Power Exchange(s) and the electricity trader

Views of PCKL

There is no guarantee price for REC certificate traded by DISCOMs as floor price have been made as zero, the same cannot be zero as every commodity has some value. In order to obtain RE certificate, DISCOMs have to incur certain expenditure viz application fee, registration / accreditation and annual charges. Therefore, Commission may fix minimum floor price of Rs.500 MWH for all category of RE.

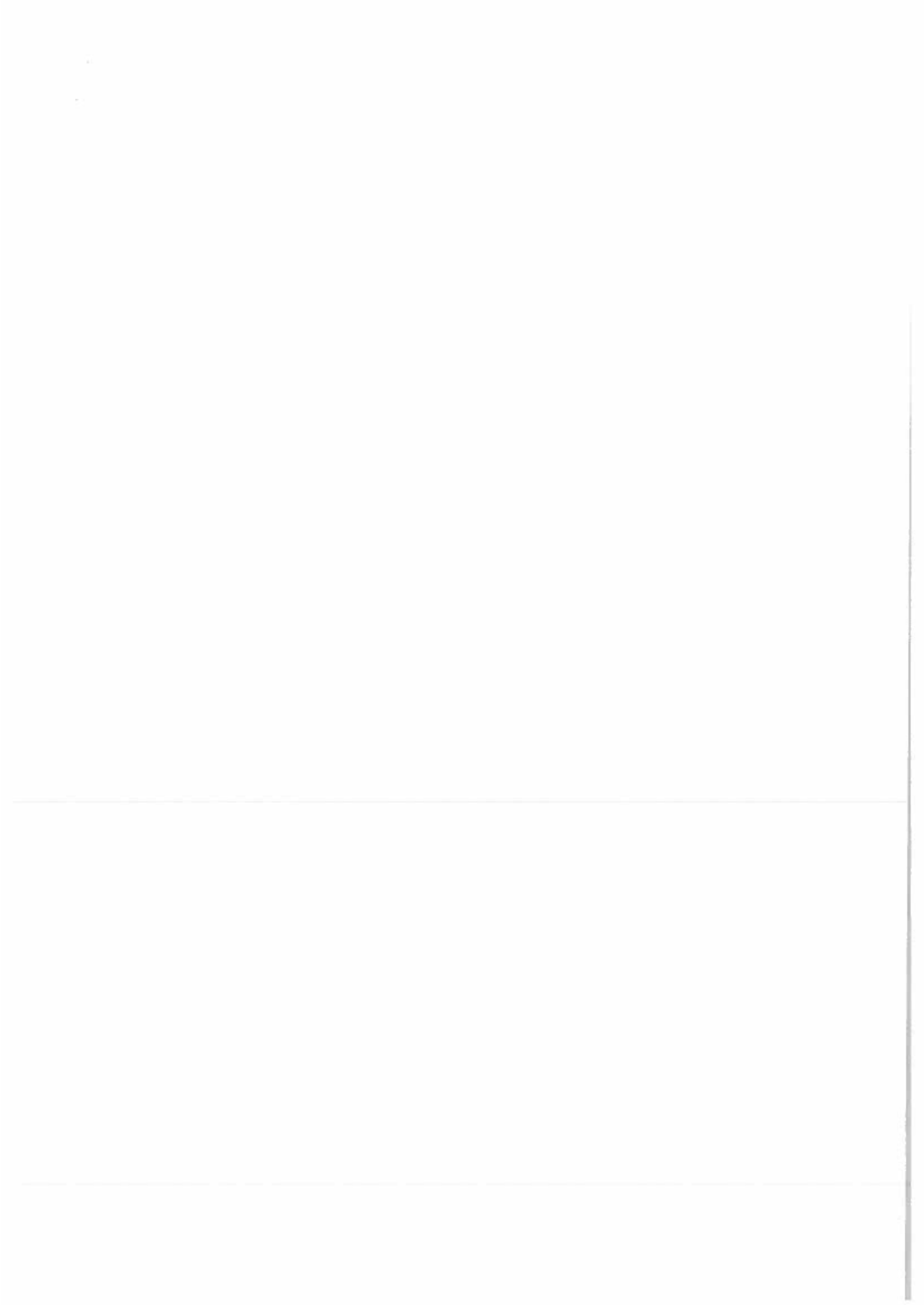
The additional para wise comments on the draft Regulation are enclosed at Annexure-A.

Yours faithfully


Additional Director (Projects)

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

Clause no.	Content in the draft Regulation	Proposed changes
Definition '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;	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 or State Government ;
Definition 'p'	'renewable purchase obligation' or 'RPO' means the requirement specified by the State Commissions under clause (e) of sub-section (1) of Section 86 of the Act for an entity to purchase electricity from renewable energy sources;	renewable purchase obligation' or 'RPO' means the requirement specified by the State Commissions under clause (e) of sub-section (1) of Section 86 of the Act or requirement specified by Ministry of Power whichever is lower for an entity to purchase electricity from renewable energy sources
Definition 's'	'State Grid Code' means the State Grid Code specified by the State Commission under clause (h) of sub-section (1) of Section 86 of the Act;	Grid Code' means the State Grid Code specified by the State Commission under clause (h) of sub-section (1) of Section 86 of the Act or Indian Grid code as specified by Central Commission under clause (h) of sub-section (1) of Section 79
4. (1) Eligibility for Issuance of Certificate	Following entities shall be eligible for issuance of Certificates: (a) Renewable energy generating station, (b) Captive generating station based on renewable energy sources, (c) Distribution licensee, and (d) Open access consume	Following entities shall be eligible for issuance of Certificates: (a) Renewable energy generating station, (b) Captive generating station based on renewable energy sources, (c) Distribution licensee, Or any other agency



Clause no.	Content in the draft Regulation	Proposed changes
		<p align="center">co-ordinates among the Distribution Licensee</p> <p align="center">(d) Open access consume</p>
<p>4. (2) Eligibility for Issuance of Certificate</p>	<p>A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions:</p> <p>(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;</p> <p>(b) such renewable energy generating station has not availed any</p> <p>(i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges or (iii) facility of banking of electricity</p>	<p>To be specified which type of generator are eligible for issuance of certificate</p> <p>The views of PCKL</p> <p>The Renewable energy generator who supplies power to Distribution Companies at an average power purchase cost or 75% of the generic tariff applicable for the year as determined by State Commission whichever is less shall be eligible for issuance of certificate</p>
<p>7. Revocation of Accreditation</p>	<p>The concerned RLDC, after making an enquiry and giving notice may revoke, recording reasons for such revocation, accreditation granted to an eligible entity referred to in clause (2) of Regulation 6 of these regulations in case the eligible entity breaches any of the terms and conditions of its accreditation, the breach of which is expressly declared by such accreditation to render it liable to revocation</p>	<p>The concerned RLDC or SLDC after making an enquiry and giving notice may revoke, recording reasons for such revocation, accreditation granted to an eligible entity referred to in clause (2) of Regulation 6 of these regulations in case the eligible entity breaches any of the terms and conditions of its accreditation, the breach of which is expressly declared by such accreditation to render it liable to revocation</p>

