

## Comments of Sponge Iron Manufacturers Association on Draft CERC REC Regulations 2022

---

- 1 **Sub clause 2(b) of clause 4** of the regulation provides that RE generating station shall be eligible for issuance of Certificates if such renewable energy generating station has not availed any (i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges.

CSERC, in its 1<sup>st</sup> amendment to DRE Regulations, 2019 dated 8<sup>th</sup> December, 2021 has waived transmission and wheeling charges for solar generating stations. The facility has been extended to provide stimulus to the growth of solar in the state of Chhattisgarh. The purpose of this facility will be defeated if issuance of certificates is made contingent upon availing waiver or concessional transmission and wheeling charges. This facility is extended depending on the state of development of a particular renewable energy source in a particular state. Many states, in the initial stages of development, extend such facility which they withdraw at a later stage once the technology footprint increases substantially. Putting a pan India condition will help similar technology plants in some states while jeopardizing their viability in others.

In view of above, **it is requested not to restrict issuance of certificates to renewable plants availing complete waiver or concessional transmission and wheeling charges.**

- 2 **Sub clause 2(b) of clause 4** of the regulation provides that RE generating station shall be eligible for issuance of Certificates if such renewable energy generating station has not availed any (iii) facility of banking of electricity.

The very nature of operation of a solar plant varies from all other sources of renewable energy. Banking of power is compulsory (and not a choice) in case of solar plants to make them viable whereas in case of others it is an additional advantage. Not issuing certificates to plants availing banking facility will severely hamper the operational viability of solar plants as compared to plants based on other sources of renewable energy.

**For having level playing field, our request is not to impose any restriction on issuance of certificates to plants availing benefit of banking.**

- 3 **Sub clause 3 of clause 4** of the regulation says that the Certificates issued to such captive generating stations to the extent of self-consumption shall not be eligible

for sale. From the contents of this proviso, it is not clear whether the self-consumption is pertaining to the RPO obligation or the total energy consumed by the captive users. The rationale for issuance of RECs against self-consumption by captive generators has no meaning if it can't be sold in the market.

**It is requested that like other obligated entities, captive generators may also be made eligible for issuance of RECs for RE consumption in excess of the renewable purchase obligation determined by the State Commission.**

- 4 The Draft Regulations proposed issuance of technology agnostic REC unlike Solar and Non-Solar RECs in existing regime. We understand that with this proposal, any obligated entity will be allowed to meet their RPO obligation by purchasing certificates of any source of renewable energy. Though the proposal is a welcome step as it will provide more depth in the market,

**Accordingly, it is requested that SERC regulations should be in line with CERC regulation.**

\*\*\*\*\*