



COMMENTS OF
PELLET MANUFACTURERS ASSOCIATION OF INDIA (PMAI)
On
on Draft CERC REC Regulations 2022

CLAUSE NO.	CLAUSE AS PER DRAFT REGULATIONS	COMMENTS
4 (2) (b)	2) A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions: (b) such renewable energy generating station has not availed any (i) waiver or concessional transmission charges or (ii) waiver or concessional wheeling charges or (iii) facility of banking of electricity	<p>CSERC, in its 1st amendment to DRE Regulations, 2019 dated 8th 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. Our request is not to restrict issuance of certificates to renewable plants availing complete waiver or concessional transmission and wheeling charges.</p> <p>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</p>

	<p>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. In order to have a level playing field.</p> <p>Waiver or concessional charges and wheeling charges as well as facility of banking is being offered by State Government from time to time so as to promote renewable energy generation within the States. Therefore, it should not be the basis of eligibility of REC or else this whole purpose will get defeated. The RE project who are availing the benefit waiver of transmission charges, wheeling charges as well as banking facility should also be eligible for REC.</p> <p><u>Prayer:</u> Clause No. 4 (2) (b) may be removed. Our request is not to impose any restriction on issuance of certificates to plants availing benefit of banking. RE Projects who are availing the benefit of waiver of transmission charges/wheeling charges and banking of electricity may also be eligible for REC.</p>
4 (3)	<p>(3) Captive generating stations based on renewable energy sources and meeting the conditions as specified under clause (2) of this Regulation in respect of renewable energy generating stations shall be eligible for issuance of Certificates:</p> <p>Provided that the</p> <p>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 suggested that like other obligated entities, captive generators may also be made eligible for issuance of RECs for RE consumption in excess of the</p>

	<p>Certificates issued to such captive generating stations to the extent of self consumption, shall not be eligible for sale.</p>	<p>renewable purchase obligation determined by the State Commission.</p> <p>If any captive power generating station which is exempted for RPO obligation then in that case it must be eligible to sale REC in the market.</p> <p><u>Prayer</u></p> <p>The self consumption in captive power generating station which is exempted for RPO obligation (By concerned State SERCs) then in that case it must be eligible to sale REC in the market.</p> <p>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, we request to align the SERC regulations in line with CERC regulation.</p>
10 (2)	<p>(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</p>	<p><u>Prayer</u></p> <p>There should not be any limit for applying for issuance of certificate or else it should be minimum 5 years from the corresponding generation.</p>