

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 375/MP/2022

- Subject : Petition under Section 66 of the Electricity Act, 2003 read with Regulation 5(4) and 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for approval of amendments in Renewable Energy Certificate Contracts at Indian Energy Exchange in accordance with Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022.
- Petitioner : Indian Energy Exchange Limited (IEX)
- Date of Hearing : **19.01.2023**
- Coram : Shri I.S.Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Parties Present : Shri Jogendra Behera, IEX
Shri Gaurav Maheshwari, IEX
Shri Kailash chand Saini, NLDC
Shri K. Usman, NLDC

Record of Proceedings

The case was called out for virtual hearing.

2. The representative of the Petitioner submitted that the present Petition has been filed for approval of amendments in the Renewable Energy Certificate (REC) contracts at Indian Energy Exchange in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 (in short 'REC Regulations, 2022'). He further submitted that as per the directions of the Commission vide Record of Proceedings for the hearing dated 15.12.2022, the Petitioner issued public notice on 27.12.2022 seeking comments/suggestions of the stakeholders. According to the Petitioner, twelve stakeholders have submitted their comments and they have welcomed the proposal. The representative of the Petitioner further added that most of the comments are also favouring the increasing in frequency of trading of RECs i.e. from monthly to weekly trading.

3. On a specific query of the Commission regarding any adverse comments on the allocation mechanism based on the buyer's preference adopted by the Petitioner, the representative of the Petitioner replied in negative.

4. The representative of the Respondent, NLDC submitted that as per directions of the Commission, Central Agency has sought comments of the stakeholders by 27.1.2023 on increasing REC trading sessions and same will be submitted to the Commission thereafter. He informed that different methodologies were adopted by the Power exchanges for allocation of RECs among the buyers for REC session in the month of December. He further proposed an alternative methodology of allocation of RECs and requested that a uniform approach should be followed by all Power Exchanges.

5. After hearing the representative of the Petitioner and the Respondent, the Commission orders as under:

(a) Central Agency to inform the outcome of consultation with stakeholders along with its observations on increasing the frequency of REC trading sessions in a month;

(b) Central Agency to conduct a meeting with all Power Exchanges for consensus on methodology to be followed across Power Exchanges for allocation of RECs among buyers and submit on affidavit by 10.2.2023

(c) In the meantime, the Commission directs that all Power Exchanges shall follow interim mechanism of *'pro-rata allocation based on the buyer's preference'* to allocate RECs among the buyers as per the direction in ROP dated 15.12.2022;

(d) A detailed report shall be submitted by the Petitioner and Central Agency within two weeks on the interim mechanism highlighting origin of RE source of RECs and pro-rata allocation based on buyer's preference.

6. The Petition shall be listed for hearing on 22.2.2023.

By order of the Commission

Sd/-

(T.D. Pant)

Joint Chief (Law)