

Reference: Apraava/Reg24-25/005

Date: 31 December 2024

To,

Shri Harpreet Singh Purthi,  
The Secretary,  
Central Electricity Regulatory Commission,  
8th Floor, Tower B, World Trade Centre,  
Nauroji Nagar, New Delhi, 110029

**Subject:** Comments on the Central Electricity Regulatory Commission (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2024 (hereinafter referred to as "**Draft Regulations**").

**Reference:** Public notice - RA-14026(13)/1/2024-CERC dated 11 December 2024

Respected Sir,

By way of an introduction, Apraava Energy Private Limited (**Apraava**) is a diversified power company in India, owning and operating multiple renewable energy project, transmission assets and Advanced Metering Infrastructure projects.

In response to the Draft Regulations, please find our response and representations, annexed herewith and marked as **Annexure A**, for your kind review and perusal.

We kindly request you to consider above comments while finalizing the detailed procedure.

We would be happy to provide any additional information in this regard, as required.

Thanking You,

Yours faithfully,

**For Apraava Energy Private Limited**



**Authorised Signatory**



**Apraava Energy Private Limited**

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Sr. No.	Draft Regulation	Suggested Modification and Rational for the suggestion
1.	<p><b>(4) Scope:</b> These regulations shall be applicable to the CCCs offered for transactions on Power Exchange(s), including contracts in CCCs as approved by the Commission in accordance with the provisions of the Power Market Regulations.</p>	<p>The Hon'ble Commission has provided that the Draft Regulations will be applicable to "<b>contracts in CCCs.</b>", however, the definitions do not include the meaning of the term '<b>contracts</b>'. It is pertinent to note that '<b>contracts</b>' have not been defined in other related regulations like the Carbon Credit Trading Scheme, 2023 and its amendments (<b>CCTS</b>).</p> <p>Hence, this Hon'ble Commission ought to consider including the definition of '<b>contracts</b>' for the purpose of clarity in the Draft Regulations. The Hon'ble Commission may also consider notifying a standard format of such '<b>contracts</b>' so as to avoid any ambiguity in this regard.</p>
2.	<p><b>(6) Functions of Administrator-</b></p> <p>(1) For the purpose of dealing with CCCs issued under the EC Act, the Bureau shall act as the Administrator.</p> <p>(2) Subject to the provisions of these regulations, the Bureau shall-</p> <p>a) Formulate detailed procedure after public consultation and seeking approval of the Commission for the following, in pursuance of the Carbon Credit Trading Scheme in consultation with the Registry:</p>	<p>It is submitted that the CCTS as well as the Draft Regulations allow for purchase and sale of Carbon Credit Certificates amongst non-obligated entities such as RE companies. It is submitted that since these entities are not obligated, and do not have a target to achieve, a separate procedure maybe implemented for exchange of Carbon Credit Certificates in such cases.</p> <p>Accordingly, we propose the following suggestion in <b>red</b>:</p> <p><b>6. Functions of Administrator-</b></p> <p>(1) For the purpose of dealing with CCCs issued under the EC Act, the Bureau shall act as the Administrator.</p> <p>(2) Subject to the provisions of these regulations, the Bureau shall-</p> <p>a) Formulate detailed procedure after public consultation and seeking approval of the Commission for the following, in pursuance of the Carbon Credit Trading Scheme in consultation with the Registry:</p>

*M. C. Mune*



Sr. No.	Draft Regulation	Suggested Modification and Rational for the suggestion
		<p>.....</p> <p><i>(j) Formulate a detailed procedure after public consultation and seeking approval of the Commission for purchase and sale of Carbon Credit Certificates amongst non-obligated entities.</i></p>
3.	<p><b>6) Functions of Administrator-</b></p> <p>(1) For the purpose of dealing with CCCs issued under the EC Act, the Bureau shall act as the Administrator.</p> <p>(2) Subject to the provisions of these regulations, the Bureau shall- ..... b) provide assistance to the Commission in the matters involving transaction of CCCs on Power Exchanges.</p>	<p>The procedures to be introduced must incorporate provisions relating to demand-supply matching, settlement, payments, dispute resolution as well as other aspects pertinent to CCC transactions.</p> <p>Therefore, this Hon'ble Commission may be pleased to direct the Administrator that the procedure to be issued under these Draft Regulations should also specify other details of transactions for CCCs on the Power Exchange.</p>
4.	<p><b>9. Dealing in the Certificates-</b></p> <p>(1) Unless otherwise specifically permitted by the Commission by order, the CCCs shall be dealt with only through the Power Exchange and not in any other manner.</p>	<p>It is pertinent to note that non-obligated entities like RE companies have been executing sale of carbon credits through independent transactions and contracts with interested buyers even prior to the issuance of CCTS, and not via the power exchange.</p> <p>It is submitted that such transactions not via the power exchange, must not be restricted and/or barred by this Commission, or limit non-obligated entities from executing transactions outside of the Power Exchanges.</p> <p>Such clarification ought to be provided by this Hon'ble Commission.</p>
5.	<p><b>9. Dealing in the Certificates-</b></p> <p>.....</p>	<p>The exchange of purchase and sale of Carbon Credits on the Indian Power Exchanges is set to create one of the first platforms in the country for exchange of carbon credits.</p>

*M. C. Mune*



Sr. No.	Draft Regulation	Suggested Modification and Rational for the suggestion
	(4) The frequency of transaction of CCCs through the Power Exchanges shall be on a monthly basis or in such periodicity for all registered entities as per the procedure approved by the Commission.	<p>Accordingly, due to the novelty of the transaction within the jurisdiction of India, it is submitted that the Hon'ble Commission maybe pleased to modify the frequency of CCC transactions to be on a weekly basis or as per the timelines agreed between the parties. This is with the intention to ensure faster materialisation of the transaction, which, in our submission will positively impact the volume and ease of the transactions on the power exchanges.</p> <p>Accordingly, the following modification in <b>red</b> is suggested:</p> <p><b>9. Dealing in the Certificates-</b></p> <p>.....</p> <p>(4) The frequency of transaction of CCCs through the Power Exchanges shall be on a <b>monthly weekly</b> basis or in such periodicity for all registered entities as per the procedure approved by the Commission.</p>
6.	<p><b>9. Dealing in the Certificates-</b></p> <p>.....</p> <p>(7) In any bidding session, an obligated or non-obligated entity shall not place sale bids in excess of total CCCs held in its Registry Account.</p>	<p>We suggest that the Power Exchanges may be directed to adopt suitable algorithm in the software (installed for bidding) that automatically limits the bids in a bidding session, to the maximum number of total CCCs held in its registry account. This may be achieved by linking the registry account with the bidding software through suitable algorithm.</p> <p>This approach would help obligated or non-obligated entity in case of any inadvertent error while placing the bid.</p>
	<b>9. Dealing in the Certificates-</b>	Please note that there is an inadvertent typographical error in Regulation 9(9).

*M. C. Mune*



Sr. No.	Draft Regulation	Suggested Modification and Rational for the suggestion
	<p>.....</p> <p>(9) The Obligated or non-obligated entities with more than three cases of default specified in sub-regulation 9(h) in a quarter shall be barred from dealing with CCCs for the next six months, notwithstanding any penalty due to be imposed as per the provisions of the Energy Conservation Act, 2001. The list of such defaulting entities shall be published by the Registry on a monthly basis.</p>	<p>In the sentence, "The Obligated or non-obligated entities with more than three cases of default specified in sub-regulation 9(h) in a quarter.....", 9 (h) should be 9 (8).</p> <p>Accordingly, the following modification is suggested:</p> <p>(9) The Obligated or non-obligated entities with more than three cases of default specified in sub-regulation <del>9(h)</del> 9(8) in a quarter shall be barred from dealing with CCCs for the next six months, notwithstanding any penalty due to be imposed as per the provisions of the Energy Conservation Act, 2001. The list of such defaulting entities shall be published by the Registry on a monthly basis.</p>
	<p><b>13. Market Oversight –</b></p> <p>The Commission, assisted by the Bureau, shall exercise market oversight over CCCs on Power Exchanges in accordance with the Power Market Regulations.</p>	<p>We request Hon'ble Commission to publish monthly market monitoring reports similar to the reports being published for electricity trading, so as to increase transparency and building credibility regarding sale of CCCs on the power exchanges.</p>



*M. C. Mune*

