

30 December 2024

To,
The Secretary
Central Electricity Regulatory Commission,
7th Floor, Tower-B, World Trade Centre,
Nauroji Nagar, Janpath,
New Delhi 110 029

Dear Sir,

Draft Central Electricity Regulatory Commission (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2024.

We enclose herewith our comments and suggestion on the Draft Regulation for due consideration of the Hon'ble Commission.

CC
The Director General
Bureau of Energy Efficiency
4th Floor, Sewa Bhawan. R.K. Puram,
New Delhi-110 066

Hindalco Industries Limited

Comments on Draft Central Electricity Regulatory Commission (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2024.

SI No	Clause Ref	Draft Regulation	Comments/Suggestion	Reason for Change
1	2.(1) u & v	<p>u) “Floor Price” means the minimum price at which the Carbon Credit Certificates shall be traded on the power exchanges.</p> <p>v) “Forbearance Price” means the maximum price at which the Carbon Credit Certificates shall be traded on the power exchanges</p>	The items may be deleted/omitted	<p>For suggestion as stated in SI No 3 below.</p> <p>If the CCU prices are made fixed then the definition of Floor & Forbearance price becomes redundant</p>
2	9. (1)	<p>9. Dealing in the Certificates -</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>	It is proposed that transfer of CCCs may please be allowed within the same legal entity (between units of the same Company)	<p>Avoidance of price risk and transactional cost.</p> <p>The same is also as per existing REC Regulation</p>
3	11 (2) & (3)	<p>11. Pricing of Certificate</p> <p>(2) The market price of CCC shall be as discovered through the process of bidding at the respective Power Exchange.</p>	<p>It is proposed that prices of CCC may be fixed for a period.</p> <p>Price determination could be through approved methodology as in case of ESCerts</p>	<p>Price feasibility would provide better opportunity to plan and execute Decarbonisation projects.</p> <p>The same is in line with ESCert pricing</p>

		(3) The CCCs shall be exchanged within the floor price and the forbearance price, which shall be as approved by the Commission on a proposal to be submitted by the Bureau.		
4	None	Fungibility between certificates	It is proposed that there be a method for interchangeability between REC, ESCerts & CCC	This is to avoid double taxation on obligated entities and also for proper utilization of existing available ESCerts

Thanking you,

Your very truly