Ref. No: JGEPL/CERC/BD/2025-26/005 Date: 21.11.2025

To,
The Secretary,
Central Electricity Regulatory Commission (CERC)
World Trade Centre, 7th Floor, Tower-B,
Nauroji Nagar, New Delhi -110029

Kind attention: Shri Harpreet Singh Pruthi

Subject: Comment/Suggestions on "Proposal for determination of the Buyout Price as an alternate compliance mechanism towards fulfilment of Renewable Consumption Obligation (RCO)".

Ref No: CERC Petition No. 12 / SM/2025 (Suo-Motu) Dated 22nd October 2025.

Respected Sir/Madam,
We, Juniper Green Energy Pvt Ltd (Renewable Energy platform of AT Capital Group), take this opportunity to introduce ourselves as renewable energy producer and operator for solar and wind projects with significant experience in conceptualizing, building, and developing Renewable Energy assets.

Juniper Green Energy, based out of Delhi NCR, commenced operations in October 2018. The business has experienced rapid growth, and it presently has an operational portfolio of about 1.1 GW with an under-construction capacity of about 4GW and a development pipeline of more than 5GW of solar, wind and hybrid project.

We respectfully submit the following representation concerning the determination of the **Buyout Price** under the Renewable Consumption Obligation (RCO) framework, in light of the Government of India's commitment to achieving **500 GW of renewable energy capacity by 2030**.

We therefore request the Hon'ble Commission to kindly re-examine the draft provisions and consider our attached submissions for a more balanced approach.

Thanking you,
Yours faithfully,
For M/s Juniper Green Energy Limited

Authorised Signatory

Juniper Green Energy Limited

Annexure-1

Comments on Determination of Buyout Price for Renewable Consumption Obligations (RCO)

The Renewable Consumption Obligation (RCO) mandates that Designated Consumers (DCs) fulfil a portion of their electricity consumption from renewable energy sources. Compliance is currently allowed through one of the following modes:

1. Direct procurement or consumption of renewable energy;
2. Purchase of Renewable Energy Certificates (RECs); or
3. Payment of a buyout price as determined by the Hon'ble Commission.

While the first two modes contribute directly to renewable energy development and grid integration, the third mode—payment of a buyout price—does not result in any actual increase in renewable generation or demand.

A. Concern Regarding the Existing Buyout Price Formula:

As per the current framework, the buyout price is set at **5% above the weighted average REC price** discovered on the power exchanges during the financial year. However, in practice, this pricing structure makes the buyout option the **cheapest and simplest mode** of compliance due to the following reasons:

- The **transaction fee** of ₹10 per REC and **trading margins** charged by intermediaries (typically >10% of the REC price) increase the effective cost of REC-based compliance.
- Consequently, the **total cost of REC procurement** exceeds the buyout price, incentivizing Designated Consumers to opt for the buyout route.

This trend is counterproductive to the national and state-level renewable energy targets, as it provides an easy financial escape mechanism that **neither supports renewable energy producers** nor promotes additional renewable capacity.

B. Proposed Revision:

To align the RCO framework with its intended purpose of encouraging renewable energy development, it is proposed that:

"The Buyout Price shall be fixed at not less than 125% of the weighted average price of Renewable Energy Certificates (RECs) for the relevant financial year."

C. Rationale for the Proposal:

- **Discouragement of Easiest Compliance Route:**
  A 125% threshold will make the buyout price less economically attractive compared to REC purchase or renewable power procurement.
- **Stimulation of REC Market Activity:**
  Ensures steady demand for RECs, enhancing market liquidity and encouraging renewable generators.

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- **Alignment with National Goals:**
  Supports India's broader target of 500 GW of renewable energy capacity by 2030 and the objective of deep decarbonization of the electricity sector.

- **Equitable and Fair Compliance:**
  Prevents designated consumers from avoiding their obligations through minimal-cost financial settlements that contribute to renewable energy deployment.

In view of the above, we most respectfully request the Hon'ble Commission to **review and revise** the existing methodology for determining the buyout price under RCO compliance; and **fix the buyout price at a minimum of 125%** of the weighted average REC price for the relevant financial year to ensure fair and effective implementation of the Renewable Consumption Obligation framework.

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