Date: 21st November 2025

To,
The Secretary,
Central Electricity Regulatory Commission,
6th, 7th & 8th Floors, Tower B,
World Trade Centre, Nauroji Nagar,
New Delhi- 110029

Subject: **Suggestions/Comments on Determination of the Buyout Price as an alternate compliance mechanism towards fulfilment of Renewable Consumption Obligation (RCO)**

Ref.: Order dated 22nd October 2025 in Petition No. 12/SM/2025 (Suo-Motu)

Dear Sir,

Greetings from ReNew!

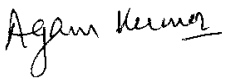
ReNew Pvt. Ltd. is one of the largest renewable power producers in India, having an aggregated portfolio of ~20 GW, including more than 10 GW of operational capacity. We have portfolio of solar, wind & hydro assets with presence across various states in the country. The company is also the first Indian renewable company to be listed on NASDAQ.

This is in reference to Order dated 22nd October 2025 in Petition No. 12/SM/2025 (Suo-Motu) whereby the Hon'ble CERC invited suggestions/comments on the ***Determination of the Buyout Price as an alternate compliance mechanism towards fulfilment of Renewable Consumption Obligation (RCO)***. We are herewith submitting our comments as per attachment.

We request your good office to kindly consider our comments/suggestions while finalizing the same.

Thanking You

Yours Sincerely,



For ***ReNew Private Limited***

ReNew Private Limited
Corporate Office: ReNew.Hub, Commercial Block-1, Zone 6, Golf Course Road, DLF City Phase-V, Gurugram – 122009
Registered Office: 138, Ansal Chambers- II, Bhikaji Cama Place, New Delhi -110066
CIN: U40300DL2011PTC291527

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Suggestions/Comments on Determination of the Buyout Price as an alternate compliance mechanism towards fulfilment of Renewable Consumption Obligation (RCO)

Clause	Draft proposal as per CERC's	Proposed Changes	Rationale
11 & 12	*11. Further, the Ministry of Power, vide the aforementioned notification dated 27th September, 2025, has specified the minimum share of electrical energy from RE sources as a percentage of total electrical energy consumption for each Designated Consumer category till FY 2029-30. Accordingly, the Commission is proposing the REC buyout price upto FY 2029-30 based on the following principle:* *• The buyout price for a financial year shall be fixed at 105% of the weighted average REC Price of that financial year. By 30th April of every financial year up to 2029-30, the National Load Despatch Centre (NLDC) shall publish the weighted average price of REC, the Buyout Price for the previous financial year, based on the above principles.* *12. Accordingly, the Commission invites the comments of the stakeholders on the above proposal of specifying the Buyout Price for FY 2024-2025 at Rs. 245/MWh and for the subsequent financial*	*11. Further, the Ministry of Power, vide the aforementioned notification dated 27th September, 2025, has specified the minimum share of electrical energy from RE sources as a percentage of total electrical energy consumption for each Designated Consumer category till FY 2029-30. Accordingly, the Commission is proposing the REC buyout price upto FY 2029-30 based on the following principle:* *• The buyout price for a financial year shall be ~~fixed at 105% of the weighted average REC Price of that financial year~~ as follows:* *Buyout Floor (Rs/MWh) =* *Max* *{200% of Simple Avg REC Price of the current FY,* *Or,* *50% of the previous year's annual average Green Day Ahead Market (GDAM) prices,* *Or,* *30 % of the Implicit Carbon Price* *}* *whichever is higher* *By 30th April of every financial year up to 2029-30, the National Load Despatch*	It is hereby suggested to replace the static 105% cap with a Dynamic Floor; introduce a Buyout Ceiling linked to actual RE deficit; unify RPO & RCO **(A) Dynamic Floor instead of a static Cap** Pegging Buyout at 105% of the prior year's weighted average REC price may not be sufficient to preserve market discipline or investment signals during tight supply phases. We request replacing the "cap" notion with a Dynamic Floor Price to ensure that non-compliance is always costlier than market participation (direct RE procurement or REC purchase). This protects investor confidence, deters strategic under compliance, and maintains the primacy of market-based compliance. Also, restrict use of old RECs (issued before notification). The 'Buy Out' option shall not be exercised by buyers while Renewable Energy Certificate (REC) inventory is available in the market. In cases where buyers opt for the 'Buy Out' option, the applicable price shall be substantially higher and/or subject to a penalty as prescribed by the regulatory framework. **(B) Carbon Price being determined by RCO** The CCTS is also governed by the Energy Conservation Act, 2001. At present, the implicit carbon price is around Rs. 1376/tCO_2 (considering the Weighted average Emission Factor (2023-24) of 0.727 tCO_2/MWh notified by CEA in Version 20). Once carbon trading starts, industries or DISCOMs will compare: Cost of carbon credit (CCTS market price), and Cost of RCO penalty.

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	year at 105% of the weighted average REC price of that financial year.	*Centre (NLDC) shall publish the ~~weighted average price of REC, the~~ Buyout Price for the previous financial year, based on the above principles.*	Pegging the RCO at Rs. 245/MWh, implicitly determines the Carbon Price to around Rs.  CCTS WOrking.xlsx 337/tCO_2. If carbon credit > ₹500/tCO_2 (say), it's cheaper to default on RCO and just pay the penalty. Hence, the RCO penalty becomes a benchmark for carbon cost, flattening the carbon market's price elasticity. In other words: the RCO penalty becomes the reference price for non-fossil compliance across sectors — not just in power, but in industry, transport, and buildings too. If the penalty is too low, it becomes cheaper for entities to pay the penalty than to invest in renewable energy or buy carbon credits—undermining the carbon market.
New Suggestion	**<u>Unify RPO & RCO under one centrally coordinated obligation with state implementation</u>** Dual frameworks (RPO and RCO) can create overlap, ambiguity, and enforcement friction. We recommend a single, unified obligation, centrally coordinated (trajectory, registry, accounting rules) and state implemented (verification, enforcement). A single registry and clear legal hierarchy will reduce duplication, harmonize compliance pathways (RE procurement, REC, VPPAs, storage), and align India's renewable and carbon markets under one credible compliance regime.		