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Ref No.: VL-JSG/Comments /2025/05 Date:21.11.2025

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

Subject: Submission of suggestions on behalf of Vedanta Limited, Jharsuguda on the proposal of determination of buyout price as an alternate mechanism towards fulfilment of Renewable Consumption Obligation (RCO).

Dear Sir,

We are writing in response to the Hon'ble Commissions proposal dated 22nd October 2025 in Suo Motu Petition No. 12/SM/2025 regarding the determination of buyout price towards fulfilment of Renewable Consumption Obligation (RCO).

Vedanta Limited, Jharsuguda owns and operates, 2400 MW (4 x 600 MW) thermal power plant and 1215 MW (9 x 135 MW) captive power plant at Jharsuguda, Odisha. This captive thermal units cater power supply to 1.8 MT Aluminium Smelting capacity which is collocated with thermal plants at Jharsuguda district, Odisha. We respectfully submit our suggestion/inputs/on the Hon'ble CERC's proposal dated 22.10.2025. Our feedback is aimed at fostering a balanced, efficient, and sustainable framework for renewable energy consumption and compliance, ensuring that it aligns with the broader objectives of promoting Industrial growth while supporting the Nation's renewable energy goal.

We appreciate the opportunity to participate in this important consultation process and trust that the Hon'ble Commission, will take our suggestions as sought through this submission.

Thank you for your attention.

Yours faithfully,

For Vedanta Limited., Jharsuguda

Authorised Signatory

VEDANTA LIMITED

Vedanta Limited - Aluminium & Power: Vill- Bhurkamunda, P.O- Kalimandir, Dist- Jharsuguda (Odisha)- 768202
T +91-664 566 6000, F +91-664 566 6427, www.vedantalimited.com

Registered Office: Vedanta Limited 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India, CIN: L13209GA1965PLC000044

Vedanta Limited submission of comments on proposal of determination of Buyout price for RCO Compliance.

Sr. No	Proposal of Hon'ble CERC	Comments on behalf of Vedanta Limited	Rationale/Remarks
1.	8. In this backdrop, the Commission proposes the buyout price as follows: (a) RCO compliance by way of the first option, namely *'consumption of renewable electricity, either directly or through an energy storage system',* involves a cost that includes the cost of green energy in bundled form, i.e., the cost of electricity plus green attribute.	Designated consumers is allowed to comply the short fall of RCO compliance by way of proposed buyout price however before the same DCs have to exhaust the the options to procure green energy which can be availed through energy storage system involving cost of energy and green attribute. Battery Energy Storage system is evolving very fast and the same can be established co locate with large industrial loads which also helps in optimising the adequacy of transmission networks however, due to higher cost of BESS, consumption from the same is not economically viable. In this context, it is submitted that for the purpose RCO compliance through the BESS sources Hon'ble Commission may notify a separate multiplier for BESS power.	1. BESS system is highly required to tap the surplus availability of solar. 2. Promotion of collocated BESS will help to optimise the transmission network capacity. 3. Large industrial loads will utilise surplus solar power during peak hrs.

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<td>2.</td>
<td>9. In accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, as amended from time to time, the transaction of RECs is taking place through the Power Exchanges, as well as the Trading Licensees, and has remained steady across both platforms. For the FY 2024–2025, the details of REC transactions that took place on the Power Exchanges and through the trading licensees are summarised below:
<table>
<tr><th rowspan="2">Mode of REC Transaction</th><th colspan="2">FY 2024-25</th></tr>
<tr><th>Volume (Lakh)</th><th>Wt. Average Price of REC (Rs/MWh)</th></tr>
<tr><td>Power Exchanges</td><td>304.18</td><td>225.36</td></tr>
<tr><td>Trading Licensees</td><td>38.91</td><td>291.32</td></tr>
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</td>
<td>It is submitted that the determination of buy out price is to be computed based on the RECs traded in the power market only and bilateral trading of RECs through Trading licenses shall be avoided in determination of buy out price.</td>
<td>1. REC transactions through Power Exchanges are collective in nature, and price is being discovered in transparent manner based on supply and demand conditions. Hence, reflects actual value of RECs.

2. In contrast, REC transactions through traders are bilateral arrangements where prices are mutually agreed upon by the parties, and therefore do not reflect true market discovered values.

3. Considering only Power Exchange transactions ensures that the buyout price is fair, transparent, and represent prevailing market scenario.</td>
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