

Suo-Motu

RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

In the matter of:

Rajasthan Electricity Regulatory Commission (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010.

Coram:

Dr. B.N. Sharma, Chairman

Shri Hemant Kumar Jain, Member

Dr. Rajesh Sharma, Member

Date of Order:

31.05.2024

ORDER

1. Commission has specified the RERC (Renewable Purchase Obligation) Regulations, 2023 vide which the RPO targets for the obligated entities of the State have been specified for FY 2024-25 to 2029-30. For Discoms the RPO targets have been fixed in terms of 'Wind RPO', 'HPO', and 'other RPO'. For CPP/OA Consumers with 1 MW and above combined RPO single targets has been fixed.
2. For the periods, i.e., FY 2023-24 and earlier, Commission has specified the RPO targets vide RERC (Renewable Energy Obligation) Regulations, 2007 and it's Amendments wherein the renewable energy technology specific RPO targets -wind, solar and biomass have been fixed for the Discoms. Further, for CPP/OA consumers with total installed capacity of 10 megawatt & above, the RPO targets have been fixed in terms of solar and non-solar in these Regulations. However, for the CPP/OA Consumers having total installed capacity lower than 10 MW combined single RPO targets have been fixed.
3. Commission has also specified the RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010 and Amendments thereto (hereinafter the 'RERC REC Regulations, 2010') for compliance of the RPO targets fixed by the Commission for the obligated entities of the state vide the aforesaid Regulations. These RERC REC Regulations 2010, among other things, provide as under:

“5. Certificates issued under the Regulations of the Central Commission

(1) Subject to the terms and conditions contained in these regulations, the “Certificates” issued under the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 shall also be a valid instrument along with direct purchase of renewable energy for discharge of the mandatory obligations set out in the Regulations/Orders for the obligated entities to purchase renewable energy:

Provided that in the event of the obligated entity fulfilling the renewable purchase obligation by purchase of certificates, the obligation to purchase electricity from generation based on solar as renewable energy source can be fulfilled by purchase of solar certificates only, and the obligation to purchase electricity from generation based on renewable energy other than solar can be fulfilled by purchase of non-solar certificates:

.....

(2) Subject to provisions of the Regulations notified by the Commission and such direction as the Commission may give from time to time, the obligated entity shall act consistent with the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 notified by the Central Commission in regard to the procurement of the certificates for fulfilment of the Renewable Purchase Obligation under these regulations.

4. CERC while repealing their earlier Regulations 2010 has issued the CERC (Terms and Conditions for Renewable Energy Generation) Regulations, 2022, (hereinafter the ‘CERC REC Regulations,2022’) on 09.05.2022, wherein, among other things, the distinction between solar and non-solar REC has been dispensed with and the concept of multiplier has been brought in. With these changes, the obligated entities can now fulfil any category of RPO by procuring REC certificate as per the CERC Regulations, 2022.

5. Forum of Regulators in its 84th meeting held on 03.02.2023 has resolved as below:

“26. After discussion, the Forum endorsed the idea and unanimously agreed to allow fungibility of RECs to fulfil any RPO specified by State ERCs. Accordingly, it was decided that the obligated entity can fulfil any category of RPO by procuring REC certificate as per the REC Regulations,2022”.

6. Further, CERC in the order dated 08.10.2023 in the Petition No. 375/MP/2022, in the matter of Petition under Section 66 of The Electricity Act, 2003 read with the Regulation 5(4) and 25 of the CERC (Power Market) Regulations, 2021 for approval of amendments in Renewable Energy Certificate Contracts at Indian Energy Exchange in accordance with the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 observed as under:

“22. The Commission agrees with the decision of the Forum of Regulators and believes that fungibility of RECs to meet the requirement of RPO across any RE technologies would resolve the dichotomy between the Central and the State Regulatory framework. This will further facilitate the process of procurement of RECs by the obligated entities such that shortfall of any technology specific RPO by the obligated entities can be fulfilled with procurement of RECs as per the REC Regulations, 2022. The Commission believes that the obligated entities may approach their respective State Electricity Regulatory Commissions for appropriate approval in this regard in view of the unanimous decision arrived at in the FOR”.

7. In view of the changes brought in by the CERC REC Regulations,2022 and trading of single technology agnostic REC taking place at the energy exchange, Commission has received request to resolve the difficulty regarding fulfilment of the technology specific RPOs specified by the Commission as only ‘REC’ is available in the exchanges and at present there is no ‘solar REC’ or ‘non-Solar REC’.

8. Regulation 15 of the RERC REC Regulations,2010 deals with the power to remove difficulties, which is extracted below:

“15. Power to remove difficulties:

if any difficulty arises in giving effect to the provisions of these Regulations, the Commission may Suo-motu or on a petition, by general or specific order, make such provisions not inconsistent with the provisions of the Act, or the Regulation of Central Commission as may appear to be necessary for removing the difficulty".

9. It is observed the REC Mechanism specified by CERC is having a national character and therefore, consistency has to be maintained at the state level in implementation of this mechanism. Considering the orders issued by CERC and the fact that only single technology agnostic RECs are now available in the Energy Exchange, the Commission in exercise of its power conferred under regulation 5(2) and regulation 15 of the RERC REC Regulations,2010 directs the obligated entities of the State to fulfil their any category of RPO by procuring RECs as per the CERC REC Regulations, 2022.
10. Copy of this order may be placed on the Commission's website for information of the concerned.

(Dr.Rajesh Sharma)
Member

(Hemant Kumar Jain)
Member

(Dr. B.N. Sharma)
Chairman