



Rajasthan Electricity Regulatory Commission

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PUBLIC NOTICE

In exercise of powers conferred under Section 66 read with Section 86 and 181 of the Electricity Act, 2003, and all other provisions enabling it in this behalf, the Rajasthan Electricity Regulatory Commission having framed the following Draft Regulations, invites suggestions/comments from the interested persons before finalizing them.

Rajasthan Electricity Regulatory Commission (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) (Third Amendment) Regulations, 2019.

Notice is hereby issued inviting comments/suggestions on the above Draft Regulations from interested persons. The copy of the Draft Regulations may be obtained from the Receiving Officer of the Commission on payment of Rs. 50/-. The Draft Regulations along with Explanatory Memorandum are also available on Commission's website www.erc.rajasthan.gov.in.

The comments/suggestions if any should reach the Receiving Officer of the Commission on or before 25.02.2019.

(B.K. Dosi)
Secretary

(Not to be published)

Secretary



राजस्थान विद्युत विनियामक आयोग

विद्युत विनियामक भवन, स्टेट मोटर गेरेज के पास, सहकार मार्ग, जयपुर-302001

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सार्वजनिक सूचना

विद्युत अधिनियम, 2003 की धारा 66, सहपठित धारा 181 एवं अन्य सभी प्रावधान जो इस संदर्भ में इसे सामर्थ्य प्रदान करते हैं, के अंतर्गत राजस्थान विद्युत विनियामक आयोग द्वारा निम्न प्रारूप विनियमों को अंतिम रूप देने से पूर्व आयोग द्वारा सभी इच्छुक व्यक्तियों से सुझाव/टिप्पणियाँ आमंत्रित की जाती हैं।

राजस्थान विद्युत विनियामक आयोग (अक्षय ऊर्जा प्रमाण पत्र तथा अक्षय क्रय बाध्यता अनुपालना ढॉचा) (तृतीय संशोधन) विनियम, 2019.

एतद्द्वारा उपरोक्त वर्णित प्रारूप विनियम की सूचना जारी कर इच्छुक व्यक्तियों से सुझाव/टिप्पणियाँ आमन्त्रित किये जाते हैं। प्रारूप विनियमों की प्रतिलिपी आयोग के प्राप्तकर्ता अधिकारी के पास उपलब्ध है जिसे रू 50 का नकद भुगतान दे कर प्राप्त की जा सकती है। प्रस्तावित विनियम विवरणात्मक विवेचना सहित आयोग की वैबसाईट www.erc.rajasthan.gov.in पर भी उपलब्ध हैं।

यदि कोई व्यक्ति सुझाव/टिप्पणियाँ देना चाहे तो आयोग के प्राप्तकर्ता अधिकारी को दिनांक 25.02.2019 तक या इससे पूर्व प्रस्तुत कर सकता है।

(बी.के. दोसी)
सचिव

(Not to be published)

सचिव

RAJASTHAN ELECTRICITY REGULATORY COMMISSION

DRAFT NOTIFICATION JAIPUR, January, 2019

No.RERC/Secy./Regulation -

In exercise of the powers conferred under Section 66 read with Sections 86 and 181 of the Electricity Act, 2003 and all provisions enabling it in this behalf, the Rajasthan Electricity Regulatory Commission proposes to make the following Regulations to amend Rajasthan Electricity Regulatory Commission of RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010 (hereinafter referred to as the 'Principal Regulations'), namely:

1. **Short title and commencement:**

- (1) These Regulations shall be called the "Rajasthan Electricity Regulatory Commission (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) (Third Amendment) Regulations, 2019."
- (2) These Regulations shall come into force from 1.04.2019.

2. **Amendment in Regulation 10 of the Principal Regulations:**

The sub-regulation (2) & sub-regulation (4) of the Regulation 10 of the Principal Regulations shall be substituted as under:

"(2) The effective electricity component price applicable w.e.f. 1.04.2019 to the projects commissioned upto 31.03.2019 shall be as under:

The electricity component price of energy supplied by an RE project to distribution Licensee(s) shall be Rs 2.67/unit. This rate shall remain applicable for its remaining useful life, for which PPA shall be extended accordingly.

Provided that such projects may also use such electricity for self-consumption or sell electricity at mutually agreed price to other entities."

"(4) Purchase of electricity component from the Renewable Energy having been issued REC would not be counted in fulfillment of RPO."

3. **Amendment in Regulation 11 of the Principal Regulations:**

The Regulation 11 of the principal Regulations shall be deleted.

4. **Amendment in Regulation 12 of the Principal Regulations:**

(A) The heading of sub-regulation 12 shall be substituted as under:

“12. Pricing options for Renewable Energy projects – Opting out of REC mechanism after 01.04.2019”

(B) The sub-regulation (1) of the Regulation 12 of the Principal Regulations shall be substituted as under:

“ In case RE generator under REC mechanism wishes to opt out for REC mechanism and if the Discoms agree to purchase the renewable energy they may extend the PPA at the tariff not exceeding Rs 3.17/unit for remaining useful life of the plant and in such case the electricity purchased would be counted towards fulfilment of RPO and RE Generator would not be entitled to REC Certificate.

Provided that above provision of the regulation shall not be applicable to an entity whose accreditation/registration has been revoked by the State / Central Agency.”

(C) The sub-regulation (2) of the Regulation 12 of the Principal Regulations shall be deleted.

By Order

Secretary

Note:

1. Principal Regulations were published in Rajasthan Gazette Extraordinary Part-7 on 22.02.2011.
2. The Principal Regulations were amended vide:
 - i. Rajasthan Electricity Regulatory Commission (Renewable Energy Certificate and Renewable Purchase Obligation Compliance

- Framework) (First Amendment) Regulations, 2016 notified in Rajasthan Gazette Extraordinary Part-7 on 9.05.2016.
- ii. Rajasthan Electricity Regulatory Commission (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) (Second Amendment) Regulations, 2017 notified in Rajasthan Gazette Extraordinary Part-7 on 10.07.2017.

RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

EXPLANATORY MEMORANDUM

Draft RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) (Third Amendment) Regulations, 2019.

1. Commission has notified the RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010 (hereinafter referred to as the 'RERC REC Regulations 2010') which, among other things, provide for pricing and purchase under REC mechanism.
2. As per the existing REC mechanism, the RE generator registered under REC mechanism may exchange the environmental attribute in the form of REC and sell the electricity component to the Discoms at the Pooled Cost of Power Purchase ('pooled cost') notified by the Electricity Regulatory Commission for each year envisaged under the Regulation 10(2) of the RERC REC Regulations 2010. Alternatively, this electricity component can also be sold by the RE generator to an open access consumer at a mutually agreed price or may use for captive purpose. Apart from above, the basic option of selling RE as a generating company to the Discoms at a tariff determined by the Electricity Regulatory Commission is also available.
3. At that time of notification of the RERC REC Regulations 2010, there was a huge difference between the price of renewable energy and conventional electrical power. Now due to unprecedented fall in prices, the wind and solar projects which were set up under REC mechanism are facing challenges. To deal with these challenges a Staff Paper titled "Renewable Energy Projects registered under REC mechanism in Rajasthan State" was also published and comments/suggestions were invited. In the paper it was proposed that renewable energy was to be sold from the projects registered under the REC mechanism at ₹ 2.67/kWh. Discoms did not show interest in view of the falling prices of RE in the recent auctions/biddings as may prefer to meet their RPO targets with now available low cost RE. More so, when the PPA executed by them with the projects set up under REC mechanism are expiring on 31.03.2019. On the other hand, the solar and wind power generators requested to continue the REC mechanism as their investments committed way back cannot be compared with investments being made in setting up similar projects in the present market conditions.

4. It is observed that the proviso to the Regulation 10 to the RERC REC Regulations 2010 provides that with the progressive development of the electricity sector, the pricing methodologies for electricity component and REC shall be reviewed at periodic intervals as may be considered appropriate by the Commission.
5. It is noticed that wind and solar energy is becoming available at reduced rates as evident from recent auctions/bidding. The REC Mechanism is operative since 2010 and most of RE projects registered under it have not even completed 10 years, purported to be the time period for the repayment of loans availed by them in setting up their projects. In such a situation, a way out has to be found out such that these projects may continue to operate till their useful life and at the same time the Discoms do not get overburdened.
6. In view of the above, it would be appropriate that pricing and purchase under REC mechanism may be reviewed. It is observed that the lowest pooled cost determined by the Commission so far is ₹ 2.67/kWh and the present floor price determined by CERC for trading of solar/non-solar REC is ₹ 1/kWh.
7. The Commission is of the view that from 1.04.2019 onwards, following options could be:
 - (i) The electricity component price of energy supplied by an RE project to distribution Licensee(s) shall be ₹ 2.67/unit. This rate shall remain applicable for its remaining useful life, for which PPA shall be extended accordingly.
 - (ii) The projects may use such electricity for self-consumption or sell electricity at mutually agreed price to other entities.
 - (iii) In case RE generator under REC mechanism wishes to opt out for REC mechanism and if the Discoms agree to purchase the renewable energy, they may extend the PPA at the tariff not exceeding ₹ 3.17/unit for remaining useful life of the plant and in such case the electricity purchased would be counted towards fulfilment of RPO and RE Generator would not be entitled to REC Certificate.
8. In light of above, appropriate Amendments have been proposed in the RERC REC Regulations 2010 ('Principal Regulations') as enclosed.
9. The Persons likely to be affected may furnish their views/comments/suggestions on or before 25.02.2019.