

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 9/SM/2020

**Coram:
Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member**

Date of Order: 27th April, 2020

In the matter of:

Extension of validity of Renewable Energy Certificates (RECs) expired or due to expire between 1st April, 2020 and 30th September, 2020

ORDER

A. BACKGROUND

The Commission vide Order dated 30.12.2019 in Petition No. 13/SM/2019 extended the validity of RECs which had expired/ were likely to expire between 1st November, 2019 and 31st March, 2020 upto 31st March, 2020. The relevant extracts of the Order are quoted below:-

“....

5. In view of the above, the Commission in exercise of Power under Regulation 15 of REC Regulations extends the validity of RECs which have expired as on 30th November, 2019 up to 31st March, 2020. In addition, the validity of RECs which are likely to expire between 1st December, 2019 and 31st March, 2020 is also extended upto 31st March, 2020.

6. Accordingly, RECs which have expired/are due to expire between 1st November, 2019 and 31st March 2020 shall remain valid up to 31st March, 2020.

7. Petition No. 13/SM/2019 is disposed of in terms of the above.”

B. REPRESENTATION BY CENTRAL AGENCY ON RECs EXPIRED OR DUE TO EXPIRE BETWEEN 1st APRIL, 2020 AND 30th SEPTEMBER, 2020

2. The inventory of RECs which are likely to expire upto 30.09.2020 as submitted by the Central Agency is as under:-

RECs expired as on 01.04.2020			
No. of RECs expired as on 01.04.2020	No. of <u>Solar RECs</u> expired as on 01.04.2020	No. of <u>Non-Solar RECs</u> expired as on 01.04.2020	Total RECs (Solar +Non-Solar) expired
	RECs issued before 01.04.2017	RECs issued before 01.04.2017	
as on 01.04.2020	34,768	95,732	1,30,500
TOTAL	34,768	95,732	1,30,500

RECs likely to expire between 01.04.2020– 30.09.2020				
SN	No. of RECs likely to expire in the month of	No. of <u>Solar RECs</u> likely to expire between 01.04.2020 – 30.09.2020	No. of <u>Non-Solar RECs</u> likely to expire between 01.04.2020 – 30.09.2020	Total RECs (Solar +Non-Solar) likely to expire
		RECs issued after 01.04.2017	RECs issued after 01.04.2017	
1	April 2020	203	1,532	1,735
2	May 2020	326	1	327
3	June 2020	0	63	63
4	July 2020	0	24,633	24,633
5	August 2020	145	5,165	5,310
6	September 2020	0	1	1
TOTAL (April 2020 – September 2020)		674	31,395	32,069

3. From the above inventory, it is evident that 1,30,500 RECs (34,768 Solar and 95,732 Non-Solar) which were issued prior to 01.04.2017, have expired as on 1st April, 2020. Further, the Commission notes that 32,069 RECs which were issued after 01.04.2017, are due to expire within the next six months. This includes 674 Solar RECs and 31,395 Non-Solar RECs.

4. The Commission has reviewed the performance of REC market in terms of participation of buyers and sellers, volume cleared and the prices discovered, and is of the view that there is a need to extend the validity of these RECs, so as to avoid demand supply imbalance in the REC market.

5. Regulation 15 of the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 (hereinafter referred as “REC Regulations”) provides as under:

“15. Power to Relax:

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.”

6. In view of the above, the Commission in exercise of Power under Regulation 15 of REC Regulations extends the validity of RECs which have expired as on 1st April, 2020 up to 31st October, 2020. In addition, the validity of RECs which are likely to expire between 1st April, 2020 and 30th September, 2020 is also extended upto 31st October, 2020.

7. Accordingly, RECs which have expired/are due to expire between 1st April, 2020 and 30th September, 2020 shall remain valid upto 31st October, 2020.

8. Petition No. 9/SM/2020 is disposed of in terms of the above.

Sd/-
(Arun Goyal)
MEMBER

Sd/-
(I.S. Jha)
MEMBER

Sd/-
(P.K Pujari)
CHAIRPERSON