

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 6/SM/2018

Coram:

Shri P.K. Pujari, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order: 15th of May, 2018

In the matter of:

Extension of validity of Renewable Energy Certificates due to expire between April, 2018 and September, 2018

ORDER

The Commission vide order dated 30.3.2017 in Petition No. 2/SM/2017 had extended the validity of RECs expiring between 31st March, 2017 and 30th September, 2017 upto 31st March, 2018 in exercise of its power under Regulation 15 of the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 as amended from time to time (REC Regulations). The Commission in para 40 of the said order had directed the Staff to examine the issue of extension of validity of RECs and initiate necessary action for amendment of the REC Regulations, if considered necessary.

2. The order dated 30.3.2017 in Petition No. 2/SM/2017 was stayed by the Hon'ble Supreme Court vide its order dated 8.5.2017 in Civil Appeal No. 6083/2017. Since there was a stay on the order dated 30.3.2017, the case for extension of validity of the RECs could not be processed in terms of para 40 of the said order.



3. The Commission filed I.A. No. 82970/2017 in Civil Appeal No. 6334/2017 seeking necessary direction for extension of the validity of RECs, pending disposal of the Civil Appeals. The Hon'ble Supreme Court in order dated 20.9.2017 in the said IA directed as under:-

“The limited prayer sought in the present I.A. No. 82970 of 2017 is that our order dated 8.5.2017 be clarified only to a limited extent, namely that the respondent be allowed to extend RECs until 31.3.2018. Accordingly, we modify our order to this limited extent.

The civil appeal also stands disposed of. This order to continue until the Appellate Tribunal finally decides the appeal.”

4. As permitted by the Hon'ble Supreme Court, the Commission vide order dated 29.9.2017 in Petition No. 14/SM/2017 in exercise of Power under Regulation 15 of REC Regulations extended the validity of RECs expiring in the next six months (i.e. between 1st October, 2017 and 31st March, 2018) up to 31st March, 2018.

5. The Appellate Tribunal for Electricity vide its judgment dated 12.4.2018, disposed of the Appeal No. 95 of 2017, 105 of 2017 and 173 of 2017 and upheld the Commission's order dated 30.3.2017 in the matter of determination of REC Floor and Forbearance Price to be applicable from 1st April, 2017 onwards. The relevant extracts of the order are quoted below:

“....Keeping all the facts associated with the case in view, we are of the firm opinion that the impugned order passed by the Central Commission does not suffer from any legal infirmity or ambiguity.

In view of the above, we are of the considered opinion that issues raised in the present Appeals bearing nos. 95 of 2017, 105 of 2017 and 173 of 2017 are devoid of merit. Hence, these appeals are dismissed.

No order as to cost.”



6. It is noted that the inventory of RECs which have either expired since 1.4.2018 or are likely to expire upto 31.10.2018 is as under:-

RECs expired/likely to expire between 1.4.2018 and 31.10.2018			
Month	Solar RECs	Non Solar RECs	Total (Solar + Non Solar)
Apr-18	4,35,541	71,476	5,07,017
May-18	42,728	864	43,592
Jun-18	89,252	1,102	90,354
Jul-18	98,913	29,935	1,28,848
Aug-18	98,252	4,406	1,02,658
Sep-18	92,860	1,555	94,415
Oct-18	94,987	191	95,178
Total	9,52,533	1,09,529	10,62,052

7. From the inventory above, it is evident that majority of RECs which have either expired between 1.4.2018 and 10.5.2018 or are likely to expire upto 30th October, 2018 are Solar RECs for which trading was stayed for 11 months. On account of the stay granted by the Hon'ble Supreme Court on the order dated 30.3.2017 in Petition No. 2/SM/2017 during the pendency of the appeals before the Appellate Tribunal, the Commission could not initiate any action for extension of the validity of the RECs before 31.3.2018 even though the Commission had indicated in the order dated 30.3.2017 in Petition No. 2/SM/2017 for extension of validity of RECs through amendment of REC Regulations. Since, the appeals have been dismissed by the Appellate Tribunal vide order dated 12.4.2018 and there is no stay on the order dated 30.3.2017 in Petition No. 2/SM/2017, the Commission is of the view that there is a requirement to extend the validity of RECs which have either expired or are due to expire upto 31.10.2018.

8. 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 14.5.2018 upto 30th October, 2018. In addition, the validity of RECs which are likely to expire

between 15th May, 2018 and 30th October, 2018 is also extended upto 30th October, 2018.

9. Accordingly, RECs which have expired/are due to expire between 1st April, 2018 and 30th October, 2018 shall remain valid up to 30th October, 2018.

10. Petition No. 6/SM/2018 is disposed of in terms of the above.

sd/-
(Dr. M. K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(P.K. Pujari)
Chairperson

