

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:4389

ANSWERED ON:20.12.2012

CERC NOTIFICATION REGARDING RENEWABLE ENERGY RESOURCES

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**Will the Minister of POWER be pleased to state:**

- (a) whether the Central Electricity Regulatory Commission (CERC) has proposed new guidelines or has notified regulation on renewable energy certificate to promote renewable sources of energy and development of market in electricity;
- (b) if so, the details thereof and the impact of such regulations, State-wise including Andhra Pradesh;
- (c) whether these guidelines are binding on various State Electricity Regulatory Commission; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA )

(a) & (b) : The Central Electricity Regulatory Commission (CERC) has notified the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 to promote development of renewable sources of energy in the country on electricity. The salient features of the CERC REC Regulations are at Annex-I.

Renewable Energy resources are located in a few States in the country, whereas, there is need to enhance the use of renewable energy in all the States. The Renewable Energy Certificate (REC) framework envisages that the electricity generated from the renewable energy sources can be consumed locally and the generator can recover the cost through a commercial arrangement for the sale of the electricity component at the conventional power purchase rate and the renewable attribute through sale of RECs issued to it. With the REC framework in place, the Renewable Energy (RE) generators in any State including the State of Andhra Pradesh have the options either to sell the renewable energy at tariff determined by the Electricity Regulatory Commission or to sell the electricity component and renewable attributes (RECs) associated with RE generation separately. The obligated entities in any State including Andhra Pradesh also have the option of fulfilling their renewable purchase obligation (RPO) by purchasing RECs or by purchasing power generated from RE sources at tariffs determined by the Appropriate Commission.

(c) & (d) : The REC Regulations of the CERC guide the State Electricity Regulatory Commissions (SERCs)/Joint Electricity Regulatory Commissions (JERCs) in issuing their State specific REC Regulations. These regulations are advisory in nature. However, when the SERCs/JERCs issues its specific REC regulation, they become binding in nature. The list of such States is enclosed as Annex-II.