

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3979
ANSWERED ON:21.03.2013
GENERATION OF RENEWABLE ENERGY
Azad Shri Kirti (Jha)

Will the Minister of POWER be pleased to state:

- (a) the details of the conditions laid down for generation of renewable energy as per the provisions of the Electricity Act, 2003;
- (b) whether a number of States have failed to fulfill the said conditions;
- (c) if so, the details thereof, State-wise;
- (d) whether the Union Government has allowed the States to get the renewable energy certificates from private companies for meeting the condition of mandatory purchase of renewable energy; and
- (e) if so, the details thereof?

Answer

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

(a) Electricity Act, 2003 has provided for promotion of efficient and environmentally benign policies and for matters connected therewith or incidental thereto. Section 86(1) (e) of the Electricity Act, 2003, provides the functions of State Electricity Regulatory Commission (SERC) inter alia, to: '(e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;'

Further, the Tariff Policy notified by the Central Government under the Electricity Act, 2003 on 06.01.2006, inter alia, provides that the Appropriate Commission shall fix minimum percentage for purchase of electricity from renewable sources taking into account availability of such resources in the region and its impact on retail tariffs. The Act and Policy do not apply any restriction on procurement of power by an obligated entity in excess of the minimum Renewable Purchase Obligation (RPO) fixed by the Appropriate Commission.

A statement indicating the Renewable Purchase Obligation (RPO) target set by the various SERCs, as per the information available with the Forum of Regulators (FOR) Secretariat, is at Annex-I.

(b) & (c) Compliance of RPO is monitored by State Electricity Regulatory Commissions (SERCs)/ Joint Electricity Regulatory Commissions (JERCs).

(d) & (e) Renewable Energy Certificate (REC) Mechanism is a market based mechanism which seeks to address the mismatch between availability of RE sources and the requirement of the obligated entities to meet their RPO. It is also expected to encourage the RE capacity addition in the States where there is potential for RE generation as the REC framework seeks to create a national level market for such generators to recover their cost.

Central Electricity Regulatory Commission (CERC) has notified CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 in fulfillment of its mandate to promote renewable sources of energy and development of market in electricity. Salient features of the Regulations are enclosed as Annex-II.