

**GOVERNMENT OF INDIA  
NEW AND RENEWABLE ENERGY  
LOK SABHA**

UNSTARRED QUESTION NO:6081  
ANSWERED ON:30.04.2015  
SOLAR RENEWABLE ENERGY CERTIFICATE  
Galla Shri Jayadev

**Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:**

- (a) the aims and objectives of Solar Renewable Energy Certificate (SREC) trading mechanism;
- (b) whether small investors invested crores of rupees in the above certificate;
- (c) if so, whether in the backdrop of States failing to meet their renewable energy purchasing obligations, small investors are doomed as they are not getting anything from their investments; and
- (d) if so, the manner in which the Government proposes to protect the small investors who invested in SREC?

**Answer**

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): Renewable Energy Certificate (REC) mechanism was introduced by way of notification of the Central Electricity Regulatory Commission (CERC) (Terms and conditions for recognition and issuance of renewable energy certificate for renewable energy generation) Regulations, 2010 dated 14 January 2010, to facilitate inter-State exchange of renewable power irrespective of geographical constraints and to help renewable energy constrained States to meet their Renewable Purchase Obligation (RPO). At the time of framing of REC mechanism in 2009-10 the cost of solar energy was very high. Thus separate categories of Renewable Energy Certificates were created for Solar and Non-Solar Renewable Energy. The mechanism enabled the States to meet their RPO through the purchase of RECs that inter-alia have been generated by the private sector.

(b): As of 31 March 2015, solar power projects aggregating to 565.55 MW electricity generating capacity have been registered under REC mechanism.

(c): Upto March 2015 out of total 21.84 million RECs (1.84 million solar and 20 million non-solar RECs) issued, 9.41 million RECs (0.24 million solar and 9.17 million non-solar RECs) has been redeemed.

(d): On 19 December 2014, the Government of India introduced the Electricity (Amendment) Bill, 2014 in the Lok Sabha. It provides for penal provisions for non-compliance of RPO that ensures improved REC market. In addition, the Central Electricity Regulatory Commission vide notification No. L-1/12/2010-CERC: dated the 30 December, 2014 and vide order in Petition No. SM/016/2014 (Suo Motu) dated 30 December, 2014 has amended the REC regulation. The amendments include revision in Solar REC Floor price and Solar REC Forbearance price.