

# FORUM OF REGULATORS(FOR)

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**Sub: Constitution of Task Force on Renewable Energy Certificate (REC) mechanism.**

The Forum had constituted a Working Group on “Policy on Renewables”. The report of the Working Group as approved by the Forum, inter-alia, recommended that a suitable mechanism like REC is necessary to promote renewable energy sources on the scale envisaged in the National Action Plan on Climate Change.

2. Ministry of New and Renewable Energy, Government of India had also appointed a consultant for examination and conceptualization of REC mechanism. The consultant made a presentation in the meeting of Forum held on 30<sup>th</sup> January, 2009 in Chennai on the objectives and main features of the proposed REC mechanism and the proposal for developing a national level REC framework under the aegis of FOR.

3. After discussions, FOR agreed on the necessity of implementing a national level REC mechanism with the main objective of promoting the renewable energy sources. The following decisions were taken:

- i) Renewable Energy (RE) generators already having PPAs with distribution licensees would not have option to participate in REC mechanism for the contracted quantum till the validity of respective PPAs.
- ii) New RE generators would have two options, i.e., selling both the electricity component and RE component together at preferential tariffs determined by the respective SERC or selling only the electricity component to distribution utilities just like conventional power and selling the RE component through market mechanism.
- iii) Sale of RECs has to be mandatorily through a transparent market based trading mechanism.
- iv) Further work is required in the area of pricing the electricity component by the SERCs.
- v) The issue of regulatory jurisdiction on purchase of electricity from RE sources beyond renewable purchase obligation also needed to be further examined.

4. The Forum decided to constitute a Task Force for further examination of above issues and detailing the proposed national level REC framework. The Chairperson, FOR was authorized to nominate the members of the Task Force and determine its Terms of Reference.

5. Accordingly, Chairperson, FOR has constituted the Task Force with the following members:


i.)	Dr. Pramod Deo, Chairperson, CERC	...	Chairman
ii)	Shri Berjinder Singh, Chairperson, DERC	...	Member
iii)	Dr. P. K. Mishra, Chairperson, GERC	...	Member
iv)	Shri V.P. Raja, Chairperson, MERC	...	Member
v)	Shri S. Kabilan, Chairperson, TNERC	...	Member
vi)	Shri Alok Kumar, Secretary, CERC	...	Member
vii)	Shri S.K. Chatterjee, Dy. Chief (RA)	...	Convener

6. Ms. Gauri Singh, Joint Secretary, MNRE shall be permanent invitee in the Task Force.

7. The Task Force shall carry out various activities for structuring the proposed REC mechanism and its implementation. These activities would, inter-alia, include:

- a) Finalizing the basic features of REC mechanism such as denomination of REC, eligible technologies, eligible renewable energy generators, pricing methodology for both the electricity component and renewable energy component etc.
- b) Structuring the operational mechanism for certification of REC, REC registry and other related matters.
- c) Evolving model regulations for SERCs to adopt and implement REC mechanism.
- d) Any other related matter.

8. FOR Secretariat will provide necessary secretarial and expert assistance to the Task Force which may be out sourced on need basis.

  
(Alok Kumar)  
Secretary

To :

- i) Chairperson, DERC
- ii) Chairperson, GERC
- iii) Chairperson, MERC
- iv) Chairperson, TNERC
- v) Ms. Gauri Singh, Joint Secretary, Ministry of New & Renewable Energy, Block No.14, CGO Complex, Lodhi Road, New Delhi.

Copy for information to -  
Chairperson, CERC/FOR.