

# RENEWABLE ENERGY CERTIFICATE MARKET

Renewable Energy Certificates (REC) represents the green attributes of electricity generated from renewable resources. There are two categories of RECs - Solar and Non-Solar. One certificate represents 1 MWh of energy generated. REC is positioned as the key driver of renewable energy market because of its flexibility and the fact that they are not subject to the geographic and physical limitations of the underlying commodity, electricity. The obligated entities purchase RE to fulfil their Renewable Purchase Obligation (RPO).

## PROCEDURE

### ACCREDITATION

- The generating company submit an application for accreditation to the RNA/SNA
- The eligible generator can get accredited not before 6 months prior to the proposed date of commissioning
- Accreditation certificate is valid for 5 years from the date of accreditation

### REGISTRATION

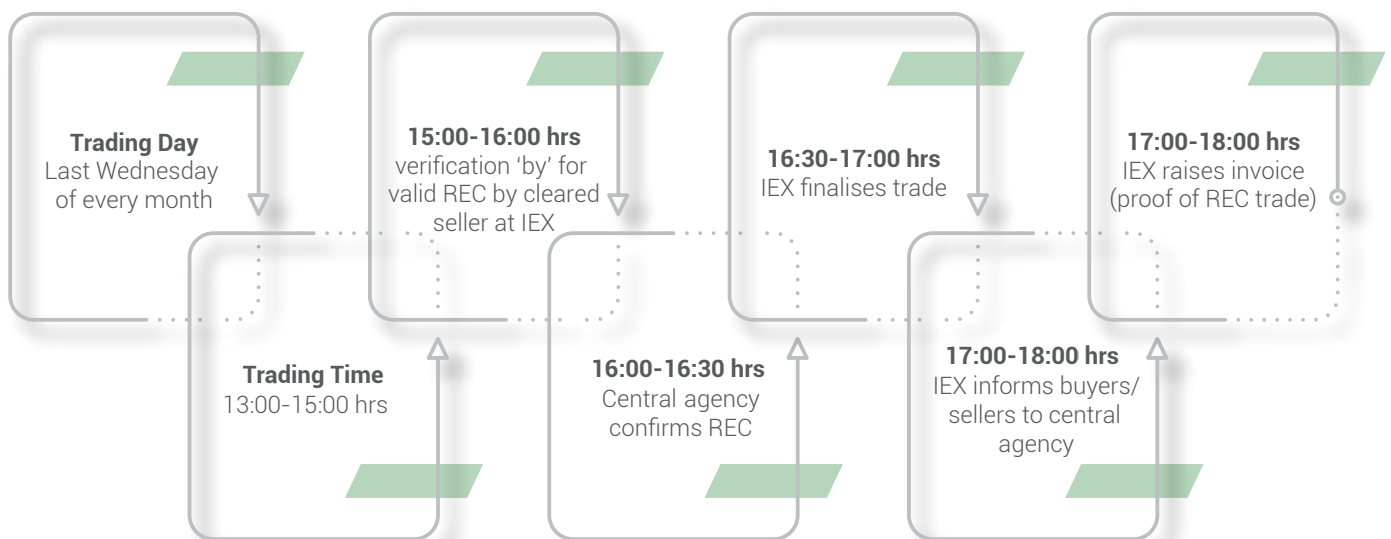
- National Load Despatch Centre (NLDC) registers generator as 'Eligible Entity'
- Registration valid for 5 years from the date of registration
- Eligible entity can get registered not before 3 months prior to the proposed date of commissioning or after receipt of the 'Certificate of Accreditation' from the concerned RNA/SNA

### ISSUANCE

- The application for the issuance of RECs is made to NLDC
- NLDC issues RECs to Eligible Entity within 15 days as per SLDC and State Agency Energy Injection Report
- The validity of the REC is 3 years or more as specified by the regulator from time to time

### TRADING & REDEMPTION

- On the Power Exchanges on the last Wednesday of every month
- Double-sided closed auction within the floor and forbearance price specified by CERC
- Obligated entities purchase RECs through Power Exchanges and submit details to the concerned SNA or as specified by respective SERC as proof of RPO compliance
- NLDC maintains a record of RECs sold, purchased, and redeemed for self-consumption in the REC Registry



## KEY STATISTICS

(Till Q2 FY23)



**2,166**  
OBLIGATED ENTITIES



**1,245**  
ELIGIBLE ENTITIES



**69%**  
MARKET SHARE



**31.11 LAC**  
REC TRADED



**477 LAC REC**  
CLEARED SINCE 2011

## FRAMEWORK

### SELLERS

#### RENEWABLE ENERGY GENERATORS

Wind, Solar, Small Hydro, Municipal Waste, Biomass/Bio-Fuel, Other MNRE approved sources

#### DISTRIBUTION COMPANIES

### BUYERS

#### OBLIGATED ENTITIES

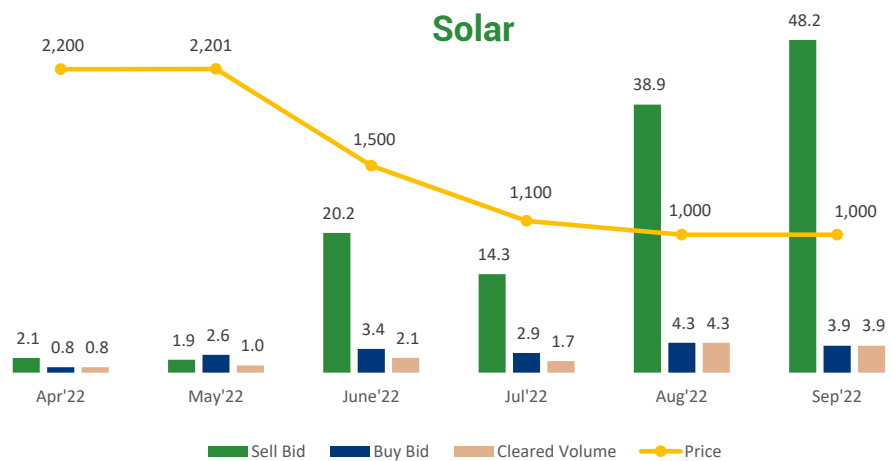
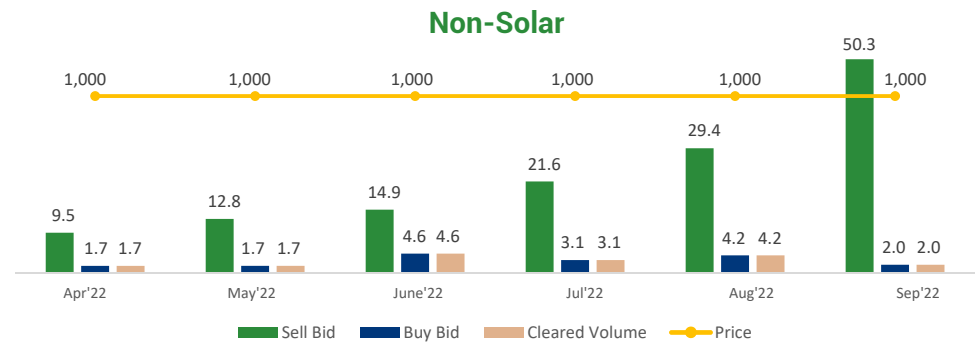
Distribution Companies, Open Access Consumers, Captive Power Consumers

#### VOLUNTARY ENTITIES

Individuals, Corporates, NGOs

### ELIGIBILITY CRITERIA: RENEWABLE ENERGY GENERATORS

- Grid connected
- No preferential tariff from local distribution licensees
- Selling to local distribution licensees at Average Power
- Purchase cost
- Selling to other licensees or open access consumers or through the power exchange at a mutually agreed or market determined price



## Customer Value Proposition



24X7 Power



Competitive Price



Flexibility



Transparency



Cost Saving



Payment Security

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