

Model Regulations for Off-Grid RECs for Community Level Off-Grid Projects



FORUM OF REGULATORS

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***“Model Regulations for Off-Grid RECs for Community
Level Off-Grid Projects”***

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

No.: XX/XX/CERC/2012

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DRAFT NOTIFICATION

WHEREAS Section 3 (1) of the Electricity Act 2003 provides that *“The Central Government shall, from time to time, prepare the National Electricity Policy and tariff policy, in consultation with the State Governments and the Authority for development of the power system based on optimal utilisation of resources such as coal, natural gas, nuclear substances or materials, hydro and renewable sources of energy”*;

AND WHEREAS Section 4 of the Electricity Act 2003 provides that *“The Central Government shall, after consultation with the State Governments, prepare and notify a national policy, permitting stand alone systems (including those based on renewable sources of energy and other nonconventional sources of energy) for rural areas”*;

AND WHEREAS Section 5 of the Electricity Act 2003 provides that *“The Central Government shall also formulate a national policy, in consultation with the State Governments and the State Commissions, for rural electrification and for bulk purchase of power and management of local distribution in rural areas through Panchayat Institutions, users’ associations, cooperative societies, non-Governmental organisations or franchisees”*;

AND WHEREAS Section 6 of the Electricity Act 2003 provides that *“the concerned State Government and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households”*;

AND WHEREAS seventh proviso of Section 14 of the Electricity Act 2003 provides that *“in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply”*;

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AND WHEREAS eight proviso of Section 14 of the Electricity Act 2003 provides that *“where a person intends to generate and distribute electricity in a rural area to be notified by the State Government, such person shall not require any licence for such generation and distribution of electricity, but he shall comply with the measures which may be specified by the Authority under section 53”*;

AND WHEREAS Section 61 of the Electricity Act 2003 provides that *“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-“Clause (h) “the promotion of co-generation and generation of electricity from renewable sources of energy”*;

AND WHEREAS Section 66 of the Electricity Act 2003 provides that *“The Appropriate Commission shall endeavour to promote the development of a market (including trading) in power in such manner as may be specified and shall be guided by the National Electricity Policy referred to in section 3 in this regard”*;

AND WHEREAS Section 86 (1) (e) of the Electricity Act 2003 provides that *“The State Commission shall discharge the following functions, namely: -“Clause (e) “promote co-generation 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 licensee”*;

In exercise of the power conferred under Section 66, and Section 178 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling in its behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, namely:

1 Short title, and commencement

- 1.1 These regulations may be called the Central Electricity Regulatory Commission (Accreditation, Registration and Issuance of Renewable Energy Certificates for Community Level off-Grid Distributed RE Generation Projects) Regulations, 2012.
- 1.2 These regulations shall come into force from the date of their notification in the Official Gazette.

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2 Definitions and Interpretations

2.1 In these regulations, unless the context otherwise requires,

- a) ‘Act’ means the Electricity Act, 2003 (36 of 2003);
- b) ‘Authority’ means the Central Electricity Authority as defined in sub section (1) of section 5 of these regulations;
- c) ‘Central Agency’ means the agency as may be designated by the Commission under clause (1) of regulation 5;
- d) ‘Certificate’ means the off-grid renewable energy certificate issued by the Central Agency in accordance with the procedures laid down by it and under the provisions specified in these regulations;
- e) ‘Commission’ means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- f) ‘Consumer’ as may be defined in sub section (15) of section 2 of the Act;
- g) ‘Distribution Licensee’ as may be defined in sub section (17) of section 2 of the Act;
- h) ‘Eligible Entity’ means the Rural System Operator who is eligible to receive the certificates under these regulations;
- i) ‘Floor price’ means the minimum price as determined by the Commission in accordance with these regulations at and above which the certificate can be dealt in the Power Exchange;
- j) ‘Forbearance price’ means the ceiling price as determined by the Commission in accordance with these regulations within which only the certificates can be dealt in the Power Exchange;
- k) ‘MNRE’ means the Ministry of New and Renewable Energy;
- l) ‘Obligated Entity’ means the entity mandated under clause (e) of sub section (1) of section 86 of the Act to fulfill the renewable purchase obligation;
- m) ‘Off-grid Renewable Energy System (ORES)’ means the stand alone systems comprising power plant generating electricity from renewable energy sources where grid is not connected and distribution network including associated appliances used for distributing electricity produced in the said plant to end users in the Project Area;
- n) ‘Power Exchange’ means that power exchange which operates with the approval of the Commission
- o) ‘Project Area’ means un-electrified habitation in which the electricity is proposed to be supplied from Off-grid Renewable Energy System defined at Regulation 2 (m) of these Regulations;

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Provided the Project Area will have minimum 25 households;

- p) ‘Renewable Energy Sources’ means renewable sources such as small hydro, wind, solar including its integration with combined cycle, biomass, bio fuel cogeneration, urban or municipal waste and other such sources as approved by the MNRE from time to time;
- q) ‘Rural Local Body’ (RLB) means the body as may be defined in sub section (1) of section 9 of this regulation;
- r) ‘Rural System Operator’ (RSO) means the company or a person or a group of persons that develops and operates Off-grid Renewable Energy System;
- s) ‘Renewable purchase obligation’ means the requirement specified by the State Commissions under clause (e) of sub-section (1) of section 86 of the Act, for the obligated entity to purchase electricity from renewable energy sources;
- t) ‘State Agency’ means the agency in the concerned state as may be designated by the State Commission to act as the agency for accreditation and recommending the renewable energy projects for registration and to undertake such functions as may be specified under clause (e) of subsection of section 86 of the Act;
- u) ‘State Load Despatch Centre’ means the centre established under sub section (1) of section 31 of the Act;
- v) ‘State Commission’ means the State Commission referred to in subsection (64) of section 2 of the Act and includes a Joint Commission referred to in sub-section (1) of Section 83 of the Act;
- w) ‘Year’ means a financial year.

- 2.2 Words and expressions used in these Regulations and not defined herein but defined in the Act or any other regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act, or such other regulations issued by the Commission.

3 Scope and Extent of Application

- 3.1 These Regulations shall apply to all new and existing off-grid renewable energy systems commissioned for distributed generation and supply of electricity from Renewable Energy Sources in the Project Areas subsequent to date of notification of these regulations and where tariff for supply of power shall be determined mutually between Rural System Operator and the consumers in the Project Area, subject to Regulation 13;

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Provided that the scope and coverage of different off-grid renewable energy technologies, the sizing of the plants, village / hamlets, other conditions for Rural System Operator participating under the Off-grid REC framework shall be subject to the fulfilment of eligibility criteria specified under the Regulation 25 of these Regulations.

4 Applicability of Regulations

- 4.1 In case the Rural System Operator wishes to adopt the Off-Grid REC framework, these regulations shall be mandatory;
- 4.2 These regulations shall have only prospective effect. Existing projects may register the project as Off-grid Renewable Energy System under these Regulations. However, benefit of REC shall be available only for generation recorded after accreditation of the project with the Central Agency;
- 4.3 Under these regulations, the project shall cover un-electrified census village or cluster of villages, or padas / bastis / hamlets of electrified census villages or cluster of padas/bastis/hamlets;

5 Central Agency and its functions:

- 5.1 The Commission shall designate an agency as the Central Agency after satisfying itself that the said agency has the required capability of performing its functions as provided under these regulations.
- 5.2 The functions of the Central Agency will be to undertake:
 - i. Registration of eligible entities or Rural System Operators,
 - ii. Issuance of certificates,
 - iii. Maintaining and settling accounts in respect of certificates,
 - iv. Repository of transactions in certificates, and
 - v. Such other functions incidental to the implementation of off-grid renewable energy certificate model as may be assigned by the Commission from time to time.
- 5.3 Subject to provisions of these regulations, the Central Agency, with approval of the Commission and after inviting comments from the State Agency shall issue a detailed procedure for registration of eligible entities, verification of generation of electricity, its distribution to consumers and its injection into the grid by the Rural System Operator as

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and when grid reaches its area of operation, issuance of certificates and other relevant and residual matters:

Provided that the detailed procedure shall be prepared by the Central Agency and submitted to the Commission for approval within ninety days from the date of notification of these regulations;

Provided further that while preparing the detailed procedure the Central Agency shall give four weeks time to the State Agency and other stakeholders for comments;

Provided also that the Commission may at any time either on its own motion or on an application or representation made by any interested party direct the Central Agency to modify, add or delete any of the provisions of the detailed procedure as deemed appropriate and upon such directions by the Commission the detailed procedure shall be implemented with such modifications;

- 5.4 The Commission may issue directions to the Central Agency with regard to the discharge of its functions and the Central Agency shall always act in accordance with the directions issued by the Commission.

6 Central Electricity Authority and its functions:

- 6.1 Authority means the Central Electricity Authority referred to in sub section (1) of section 70 of the Electricity Act 2003;
- 6.2 Central Electricity Authority shall notify grid connection guidelines for distributed small scale renewable energy plants and the metering regulations in respect of such systems;

7 State Load Despatch Centre and its functions:

- 7.1 State Load Despatch Centre shall receive energy accounting report from the Distribution Licensee on quarterly basis;

Such energy accounting report shall be received by State Load Despatch Centre in the first week of the next quarter month;

- 7.2 The accounting report shall consists of the electricity generated, electricity distributed to consumers, losses in the area of operation, in respect of each accredited off-grid RE project separately;

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- 7.3 Within the next three weeks, State Load Despatch Centre shall verify the energy accounting report and shall provide the accounting report to the Central Agency;

Provided that State Load Despatch Centre may also seek clarification on Quarterly Report from Distribution Licensee within 5 working days for submission of any further information, if necessary, to further consider the accounting report or reject the report subject to rules for verification of the same;

8 State Agency and its functions:

- 8.1 The State Agency shall undertake the accreditation of any off-grid renewable energy generation project of the Rural System Operator not earlier than six months prior to the proposed date of commissioning of such off-grid renewable energy generation project; and not later than two months from date of application for any existing off grid renewable energy generation project;
- 8.2 The State Agency shall verify the application of accreditation of the off-grid renewable energy generation project submitted by the Rural System Operator;
- 8.3 After receipt of application for accreditation, the State Agency shall conduct a preliminary scrutiny to ensure Application Form is complete in all respect along with necessary documents and applicable processing fees and accreditation charges. The State Agency shall undertake preliminary scrutiny of the Application within 7 working days from date of receipt of such Application;
- 8.4 The State Agency shall intimate in writing to the Applicant for submission of any further information, if necessary, to further consider the application for accreditation or reject application.

Provided that the reasons for rejecting the application for accreditation shall be recorded and intimated to Applicant in writing within 5 working days from date of receipt of the application by State Agency;

- 8.5 The State Agency shall verify and ascertain the following information:
- i. Confirmation of ‘Availability of Land’ in possession for setting up off-grid RE generating station;
 - ii. Consent from concerned ‘Rural Local Body’ for development, installation and operation of the Community level Off-grid Rural RE Project Scheme.
 - iii. Confirmation of compliance of Off Grid Renewable energy System with the grid connection guidelines of Authority issued per Clause 6;
 - iv. Confirmation of Metering Arrangement and Metering Location;

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- v. Date of Commissioning of off-grid renewable energy project;
- vi. Details of application processing fees/accreditation charges;

8.6 The permission granted by the State Agency in the form of accreditation certificate to the Rural System Operator for the accredited off-grid renewable energy generation project shall be valid for a period of five years from the date of accreditation certificate unless otherwise revoked prior to such validity period in pursuance of conditions for revocation as outlined under Regulations 19;

8.7 The State Agency shall grant “Certificate of Accreditation” after detailed verification of the application;

Provided that the process for accreditation of the off grid renewable energy project shall be completed within one month after the date of receipt of complete information of the State Agency;

8.8 The State Agency shall intimate accreditation of particular off grid renewable energy project to the host State Load Despatch Centre and the Distribution Licensee in whose area the proposed project would be located;

9 Consent of Rural Local Body and its functions:

9.1 Rural Local Body means the Panchayati Raj Institutions in line with Eleventh Schedule (Article 243G) of Constitution of India pursuant to the Seventy Third Amendment to the Constitution of India;

9.2 Rural Local Body so constituted shall provide consent of rural area to the Rural System Operator;

9.3 Rural Local Body shall confirm un-electrified status of village, number of households, etc. to the Rural System Operator;

Provided that the Rural Local Body shall provide the required details and provide written confirmation for generation and distribution of electricity in a particular area within one month after the submission of application by the Rural System Operator;

9.4 In case of receipt of more than one application, Rural Local Body shall select the Rural System Operator to be based on the scheme provided by the Rural System Operator offering maximum benefits in terms of the following parameters;

- i. Harnessing of local resources,
- ii. Local employment generation opportunity,
- iii. Support for productive load development,

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- iv. Long term sustainable and cost effective solution for energy needs.

Provided that the Rural Local Body shall finalize the Rural System Operator within one month after submission of the necessary documents by the Rural System Operator subject to verification of documents;

Provided further that an applicant shall be given a reasonable opportunity of being heard before his application is rejected with reasons to be recorded in writing;

- 9.5 After selection of the Rural System Operator, the Rural Local Body shall provide approval to the Rural System Operator in writing and shall facilitate selected Rural System Operator to co-ordinate with concerned Distribution Licensee for smooth implementation of the Project Scheme;
- 9.6 For existing projects, the Rural Local Body shall confirm electrification status of village, metering status of village, number of households covered, etc. to the Rural System Operator so as to enable accreditation of the project for the purpose of this Regulation;

10 Rural System Operator and its functions:

- 10.1 The Rural System Operator shall be the entity who develops the off-grid RE plant, sets up rural distribution grid, generates and distributes electricity to consumers in the Project Area and also sell the off-grid renewable energy certificates at Power Exchange;
- 10.2 Rural System Operator shall identify rural area, in consultation with concerned Rural Local Body and develop a project scheme for electrification of rural off- grid community;
- 10.3 Rural System Operator shall finalize the technology based on the locally available renewable resources;
- 10.4 Rural System Operator shall submit application to Rural Local Body seeking the confirmation of rural area, number of households and establishments, un-electrified status of village subject to the purposes of the eighth proviso to Section 14 of the Act;
- 10.5 Rural areas would mean all rural areas as defined pursuant to the Seventy-Third Amendment to the Constitution of India as mentioned in the first proviso of the section 8 of the Rural Electrification Policy;
- 10.6 Rural System Operator shall select the project of appropriate size and technology in the un-electrified padas / bastis/ hamlets of electrified or un-electrified census villages which are considered under the rural areas;

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- 10.7 Rural System Operator shall confirm the State Government’s notification of rural area from Rural Local Body;
- 10.8 Rural System Operator shall confirm the number of households and establishments, un-electrified status of village from Rural Local Body;
- 10.9 Rural System Operator shall undertake the detailed prefeasibility study of the project and shall prepare Detailed Project Report for the proposed Project Scheme
- 10.10 Rural System Operator shall avail the consents from Rural Local Body as per Regulation 9 of this regulation;
- 10.11 Rural System Operator shall submit application to State Agency for the accreditation of the off-grid renewable energy generation project for the off-grid renewable energy certificate mechanism;
- 10.12 The Rural System Operator shall coordinate with the State Agency and shall be responsible for submitting the information in a timely manner so as to enable State Agency to comply with requirements outlined in the provisions of this regulations;
- 10.13 Rural System Operator shall pay one time non-refundable application processing fees and annual charges towards Accreditation as determined by the Appropriate State Electricity Regulatory Commission from time to time;
- 10.14 The Rural System Operator shall submit the declaration to State Agency that it shall sign Power Supply Agreement with each consumer either at the tariff rates determined by State Commission for each category of consumers or on the terms of mutually agreed tariff, subject to Regulations 13;
- 10.15 Rural System Operator shall comply with the directions, duties and obligations specified by the Central Electricity Regulatory Commission and Appropriate State Electricity Regulatory Commission in this regard, from time to time;
- 10.16 Rural System Operator shall avail “Accreditation Certificate” from the State Agency;
- 10.17 Rural System Operator shall apply for revalidation or extension of validity of existing accreditation at least three months in advance prior to expiry of existing Accreditation;
- 10.18 Rural System Operator shall develop, construct and commission the project within period not exceeding twelve months from date of grant of Registration Certificate by Central Agency;

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- 10.19 The billing to consumers shall be at the end of every month and Rural System Operator shall receive tariff as mutually agreed between the consumers and the Rural System Operator, subject to Regulations 13;
- 10.20 Rural System Operator shall submit monthly reports to the Distribution Licensee outlining electricity generated, distributed and losses in its area of operation based on meter readings
- 10.21 Rural System Operator shall allow distribution licensee to inspect its records and/or witness the meter readings/recording, provided that distribution licensee has provided sufficient notice to Rural System Operator;
- 10.22 Rural System Operator shall apply for registration as eligible entity for receiving off-grid renewable energy certificates;
- 10.23 The Rural System Operator shall coordinate with the Central Agency and shall be responsible to submit the information in a timely manner so as to enable Central Agency to comply with requirements for Registration within the time frame envisaged under CERC off grid Renewable Energy Certificate Regulations.
- 10.24 Rural System Operator shall pay one time non-refundable registration fee and annual charges as determined by the Central Electricity Regulatory Commission from time to time;
- 10.25 Rural System Operator shall comply with the duties and obligations specified by the Central Agency;
- 10.26 Rural System Operator shall follow directions given by any other competent authority from time to time;
- 10.27 Rural System Operator shall avail the “Registration Certificate” from the Central Agency;
- 10.28 Rural System Operator shall apply for revalidation or extension of validity of existing Registration at least three months in advance prior to expiry of existing Registration;
- 10.29 Rural System Operator shall submit an application for issuance of off-grid renewable certificates along with the copies of the accreditation certificate, registration certificate and the copies of the energy accounting reports collected from the Distribution Licensee and the State Load Despatch Centre;
- 10.30 Rural System Operators shall sale the off-grid Renewable Energy Certificates on the Power Exchange or in manner permitted under these Regulations and shall be entitled to earn revenue from such sale thereof;

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10.31 Rural System Operator shall comply with the grid connection guidelines for Off Grid Renewable energy System issued by the Authority as per Regulations 6

11 Distribution Licensee and its functions:

11.1 The duties of the Distribution Licensee shall be as provided in sub section (1) of section 42 of the Electricity Act 2003;

11.2 The Distribution Licensee shall analyze the monthly reports of the electricity generated, electricity distributed to the consumers and losses in the area of operation of concerned Rural Local Body as submitted by the Rural System Operator;

11.3 Distribution Licensee shall prepare the detailed energy accounting reports on quarterly basis and submit it to State Load Despatch Centre in the first week of the next quarter;

11.4 Distribution licensee shall be entitled to inspect the records or witness in the meter readings/recording, with sufficient notice to Rural System Operator;

12 Consumers in the Project Area and its functions:

12.1 The consumers shall regularly pay the electricity charges within 15 working days to the Rural System Operator after receipt of bills.

12.2 In case of delay in payment beyond due date of payment, the delayed payment charges at the rate of 1.25% per month or part thereof shall be applicable.

13 Contractual Framework:

13.1 As per Regulation 10, there shall be Power Supply Agreement between the Rural System Operator and the consumers;

13.2 As per the agreement, the Rural System Operator shall sell electricity to the consumers and shall charge the tariff rates as determined by the Appropriate Commission for such categories of consumers in its Tariff Order or shall charge mutually agreed tariff;

~~Provided that if Appropriate Commission prefers for selling of electricity at regulated tariff, the Rural System Operator shall sell electricity to consumers at the tariff determined by Appropriate Commission in its Tariff Order;~~

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Provided that the benefit of capital subsidy, revenue subsidy, financial assistance from Central Government or State Government, if any, shall be passed onto the consumers in terms of tariff to be mutually agreed;

- 13.3 The Rural System Operator shall also sell off-grid Renewable Energy Certificates on the Power Exchange;

Provided that the revenue earned by the Rural System Operator shall be retained by the Rural System Operator;

14 Revocations of contract:

- 14.1 If the consumer is not satisfied with the service provided by the Rural System Operator, the contract can be cancelled by the consumer providing notice for period of three months;

15 Cost sharing and Use of Existing Network

- 15.1 The Rural System Operator shall develop the rural distribution network at its own cost;
- 15.2 In case the distribution network of Distribution Licensee is extended to the area of operation of Rural System Operator at later stage, Distribution Licensee shall use the network of the Rural System Operator;
- 15.3 For using the network under provisions of Regulation 15.2, the Distribution Licensee shall compensate Rural System Operator, a cost as mutually determined between the Rural System Operator and Distribution Licensee;

Provided further that in case no agreement is reached within period of three months; the same would be referred for adjudication to the Appropriate Commission.

16 Framework for Sale of Electricity to Consumers in Project Area

- 16.1 The Rural System Operator has a composite scheme of generation and distribution of electricity and shall charge either at tariff rates as determined by State Commission for such consumer categories or shall charge the mutually agreed tariff between the consumers and the Rural System Operator, subject to Regulation 13;
- 16.2 The Rural System Operator shall follow certain factors while determining the tariff for consumers:

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- i. The need to link tariff adjustments to increases in the productivity of capital employed and improvement in efficiency so as to safeguard the interests of the consumer;
- ii. The need to rationalise tariff on the basis of the actual cost of generation and distribution;
- iii. The unbundling of costs so as to enable the rational allocation of costs;
- iv. The need to provide transparently the appropriate incentives, in a non-discriminatory manner, for a continuous enhancement in the efficiency of generation, distribution and supply and up-gradation in the levels of service;
- v. The benefit of capital subsidy, revenue subsidy, financial assistance from Central Government or State Government, if any, shall be passed onto the consumers in terms of tariff to be mutually agreed.

16.3 The Rural System Operator shall maintain record of all accounting information, duly audited and certified alongwith necessary documents as may be required to ascertain its claim for the tariff that benefits of subsidies/financial assistance is duly passed onto consumers in terms of tariff.;

17 Categories of Certificates:

17.1 There shall be two categories of certificates, viz., solar certificates issued to Rural System Operators for generation of electricity based on solar as renewable energy source, and non-solar certificates issued to eligible entities for generation of electricity based on renewable energy sources other than solar;

17.2 The solar certificate shall be sold to the obligated entities to enable them to meet their renewable purchase obligation for solar, and non-solar certificate shall be sold to the obligated entities to enable them to meet their obligation for purchase from renewable energy sources other than solar;

18 Eligibility and Registration for Certificates:

18.1 A Rural System Operator engaged in generation of electricity from renewable energy sources shall be eligible to apply for registration for issuance of and dealing in Certificates if it fulfils the following conditions:

- i. it has obtained accreditation from the State Agency;
- ii. it has signed Power Sale Agreement with the consumers to supply electricity at mutually agreed tariff, subject to Regulation13;

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18.2 The Rural System Operator after fulfilling the eligibility criteria as provided in clause (1) above of this regulation may apply for registration with the Central Agency;

18.3 The Central Agency shall accord registration to such applicant within fifteen days from the date of application for such registration;

Provided that an applicant shall be given a reasonable opportunity of being heard before his application is rejected with reasons to be recorded in writing;

18.4 A person aggrieved by the order of the Central Agency under proviso to clause (3) of this regulation may appeal before the Commission within fifteen days from the date of such order, and the Commission may pass order, as deemed appropriate on such appeal;

19 Revocation of Registration

19.1 If the Central Agency, after making an enquiry or based on the report of the Compliance Auditors, is satisfied that public interests so require, it may revoke registration of the Rural System Operator in any of the following cases, namely:-

- i. where the Rural System Operator, in the opinion of the Central Agency, makes wilful and prolonged default in doing anything required of him by or under these regulations;
- ii. where the Rural System Operator breaks any of the terms and conditions of its accreditation or registration, the breach of which is expressly declared by such accreditation or registration to render it liable to revocation;
- iii. where the Rural System Operator fails within the period required in this behalf by the Central Agency – (i) to show, to the satisfaction of the Central Agency, that it is in a position fully and efficiently discharge the duties and obligations imposed on it by its accreditation or registration; or (ii) to make the deposit or furnish the security, or pay the fees or other charges required by its accreditation or registration.

19.2 The Central Agency before revoking the registration under Clause (1) of this regulation shall give to the Rural System Operator reasonable opportunity for being heard;

19.3 Notwithstanding the above provisions, the Commission may from time to time direct the Central Agency to initiate enquiry and/or revocation process if the Commission deems it fit where any or all of the conditions as at clauses (i) to (iii) of sub-regulation (1) exist.

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19.4 A person aggrieved by the order of the Central Agency under proviso to clause (1) of this regulation may appeal before the Commission within fifteen days of such order being communicated, and the Commission may pass order, as deemed appropriate on such appeal.

20 Denomination and Issuance of Certificates:

20.1 The Rural System Operator shall apply to the Central Agency for Certificates within three months after corresponding generation from eligible off-grid renewable energy projects:

20.2 The Certificates shall be issued to the Rural System Operator after the Central Agency duly satisfies itself that all the conditions for issuance of Certificate are complied by the Rural System Operator;

20.3 The Certificates shall be issued by the Central Agency within fifteen days from the date of application by the Rural System Operators;

20.4 The Certificates shall be issued to the Rural System Operator on the basis of the units of electricity generated from renewable energy sources as certified by the concerned Distribution Licensee;

20.5 The process of certifying the energy injection shall be as stipulated in the detailed procedures to be issued by the Central agency;

20.6 Each Certificate issued shall represent one Megawatt hour of electricity generated from renewable energy source;

Provided that the partial unit of RECs (partial Megawatt hours) shall be accumulated until it crosses one Megawatt hour of electricity. The condition of time period of three months for date of application as stipulated under Regulation 20 (1) shall not be applicable in case of such partial accumulation of Megawatt hours.

21 Dealing in the Certificates:

21.1 Unless otherwise specifically permitted by the Commission by order, the Certificates shall be dealt through the Power Exchange;

21.2 The Certificate issued to Rural System Operator by the Central Agency may be placed for dealing in any of the Power Exchanges as the Certificate holder may consider appropriate, and such Certificate shall be available for dealing in accordance with the rules and byelaws of such Power Exchange;

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Provided that the Power Exchanges shall obtain prior approval of the Commission on the rules and byelaws including the mechanism for discovery of price of the Certificates in the Power Exchange.

22 Pricing of Certificate

22.1 The price of Certificate shall be as discovered in the Power Exchange:

Provided that the Commission may, in consultation with the Central Agency and Forum of Regulators from time to time provide for the floor price and forbearance price separately for solar and non-solar Certificates.

23 Validity and Extinction of Certificates

23.1 The Certificate once issued shall remain valid for three hundred and sixty five days from the date of issuance of such Certificate:

Provided that the Certificate issued to Rural System Operator for the electricity generated at a time when such entity fulfilled the eligibility criteria for accreditation, shall remain valid for the said period of three hundred and sixty five days, even if accreditation of such entity is revoked at a later date;

23.2 Subject to the time limit as provided in clause (1) of this regulation, a Certificate shall be deemed to have been extinguished after it has been exchanged by way of sale and purchase in the Power Exchange or sale to Distribution Licensee;

24 Fees and Charges

24.1 The Commission may from time to time, determine, by order, the fees and charges payable by the Rural System Operator for participation in the scheme for registration, eligibility of certificates, issuance of certificates and other matters connected therewith;

24.2 The fees and charges payable under these regulations may include onetime registration fee and charges, annual fee and charges, the transaction fee and charges for issue of certificate and charges for dealing in the certificate in accordance with these regulations, as the Commission may consider appropriate;

24.3 The fees and charges paid by the Rural System Operator shall be collected by the Central Agency and utilised for the purpose of meeting the cost and expense towards the remuneration payable to the compliance auditors, the officers, employees, consultants and representatives engaged to perform the functions under these regulations;

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25 Eligibility Criteria:

25.1 Following conditions shall apply for the design and development of Off-grid Renewable Energy System (ORES) to be covered under these Regulations;

- a) Village/ hamlet – wherein no provision of supply of electricity exists. For existing projects, the Rural System Operator and its system shall be the sole source of electricity supply;
- b) Rural System Operator – The Rural System Operator shall have the net worth of Rs 5 lakh;
- c) Selection of Technology and Sizing of the Plant – The Rural System Operator shall follow the guidelines, if any, issued by the Appropriate Commission for selection of the technology and sizing of the plant. In case, the Appropriate Commission has not issued such guidelines, selection of technology and sizing of the plant shall be done in consultation with the RLB.

26 Metering:

26.1 The metering shall be provided both at the generation end and at the consumer level;

26.2 The installation and operation of the Meters shall be in conformity with the relevant regulations notified by Central Electricity Authority from time to time.

27 Power to give directions:

27.1 The Commission may from time to time issue such directions and orders as considered appropriate for the implementation of these regulations and for the development of market in power for Off-grid Renewable Energy System;

28 Power to Relax:

28.1 The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person;

(Secretary)