

The past month has been very active on the regulatory front. As a result, the prospects of the REC market starting up in the next few months looks very real. As a first step, Accreditation and Registration of Eligible Entities is expected to begin, perhaps as early as mid-September. Some key regulatory updates over the last months are:

- CERC approved the Forms and Procedures for REC Accreditation, Registration, and Issuance. This is covered extensively in this newsletter.
- Draft fees and charges for Accreditation, Registration & Issuance of RECs were announced. The public hearing

for finalisation of this is scheduled on September 7, 2010. See table in the newsletter for details.

- Rules and By-Laws of Power Exchanges (PX) were discussed and by the CERC on August 17, 2010. Details of this are emerging and we are expecting CERC to announce approved business rules and bye-laws of PXs in coming few weeks.

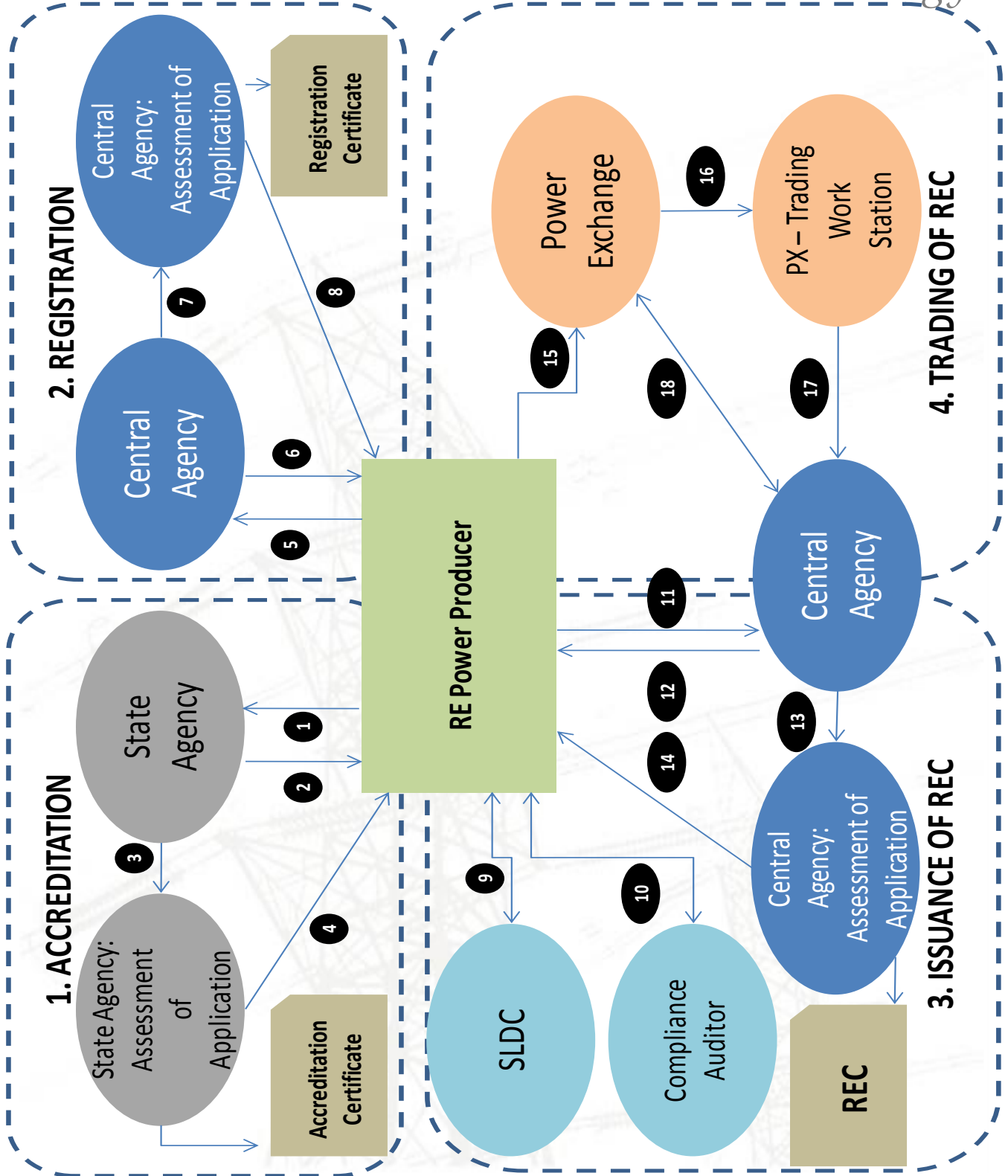
All this is happening in the context of announcement made by Shri. Pramod Deo, Chairman, CERC in a conference which suggested that the market will be operational from September (see news section for details).

## News

“The Central Electricity Regulatory Commission (CERC) has put in place guidelines to start issuance of Renewable Energy Certificates (RECs) from September as part of measures to promote green energy, the CERC chairman Shri Pramod Deo said”

Source: The Hindu, 15<sup>th</sup> July, 2010

<http://www.hindu.com/2010/07/15/stories/2010071551500700.htm>



- 1 Apply for Accreditation with the State Level Agency. Application to be made **in duplicate - in Electronic and Paper form**. Application requires **data on 8 different categories**.
- 2 State Agency provides a unique ID for the application, and also seeks clarifications and additional information, if any
- 3 The application will be **assessed on 7 different criterion**, including type of plant and equipment, compliance with MNRE's fossil fuel norms, etc,
- 4 Accreditation certificate is granted. The State Agency also intimates the Central Agency, SLDC and the local DisCom
- 5 Apply for Registration with the Central Agency. Application to be made **in duplicate - in Electronic and Paper form**. The Accreditation certificate will also need to be submitted. Application requires **data on 8 different categories**.
- 6 Central Agency provides a unique ID for the application, and also seeks clarifications and additional information, if any
- 7 The application will be **assessed on 4 different criterion**.
- 8 Registration certificate is granted. The Central Agency also intimates the State Nodal Agency, SLDC and the Power Exchanges.
- 9 Obtain Certificate of Energy Injection from SLDC on a monthly basis
- 10 Obtain report from Compliance Auditor (if required)
- 11 Apply for issuance of REC. Application to be made **in duplicate - in Electronic and Paper form**.
- 12 Central Agency provides a acknowledgement for the application, and also seeks clarifications and additional information, if any
- 13 The application will be **assessed on 5 different criterion**.
- 14 RECs are issued. The Central Agency also intimates the State Agency of the issuances.
- 15 Based on the trading calendar, **place REC for dealing** on the chosen Power Exchange
- 16 The PXs determine Market Clearing Price and Volume
- 17 Provide details of the Market Clearing Price and details of the REC trades matched
- 18 Share information on validity of RECs, and extinguish RECs based on information provided by PXs

Process	Payable to	Fees
Application fees for Accreditation	State Nodal Agency	Rs. 5,000
Accreditation Charge	State Nodal Agency	Rs. 30,000
Annual Charge	State Nodal Agency	Rs. 10,000
Application fees for Registration	Central Agency	Rs. 1,000
Registration Charge	Central Agency	Rs. 5,000
Annual Charge	Central Agency	Rs. 1,000
REC Issuance Charge	Central Agency	Rs. 10/ Certificate

Charges by the Power Exchanges are yet to be announced

## Services We Provide

Accreditation and registration support

Data compilation and Application

Obtaining issuance

Trading strategies and brokerage

For a free diagnostic to assess if your renewable energy project is eligible for RECs, please fill details in the form available on our website

([www.reconnectenergy.com](http://www.reconnectenergy.com) under contact us section).

## About REConnect Energy Solutions

REConnect is a venture focused on the Renewable Energy Certificates and Energy Efficiency Certificates markets.

REConnect's team has extensive experience in the environmental markets both in India and internationally:

- Worked in the international carbon markets for several years and has expertise in the consulting and trading of emissions reductions
- Worked in the Renewable Energy Certificate and Energy Efficiency Certificate markets in USA
- Managed complex projects for the Clinton Climate Initiative in London helping the UK and London City governments in implementing various climate change related policies and measures
- Worked with a leading commodities exchange in India

## Contact

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We will appreciate an opportunity to have a conversation with you and answer any queries that you may have. Please write to [shachi.maheshwari@reconnectenergy.com](mailto:shachi.maheshwari@reconnectenergy.com) for any questions.