

As part of the National Mission on Climate Change, a policy to implement Renewable Purchase Obligation (RPO) is being put in place by the Central Electricity Regulatory Commission. The new policy will require Electricity Distributors, large Captive Consumers and large Open Access Consumers to purchase a certain percentage of their total electricity needs from renewable sources.

## Renewable Energy Certificates: Similar to Carbon Credits

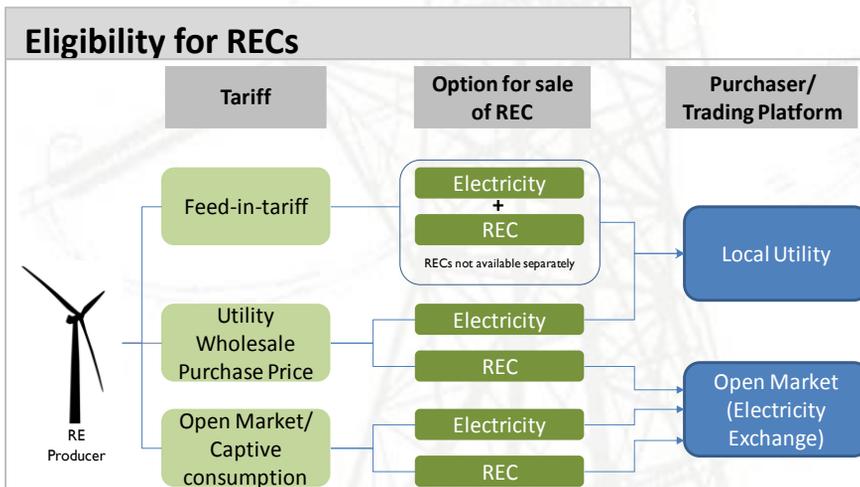
Similar to the Carbon Credit Market, a market for meeting the RPO requirements is in the process of being set up in India. Just like at the international level, companies that do not meet their emission reduction targets can purchase Carbon Credits from the market, similarly, Electricity Distributors in India that do not buy the percentage of renewable energy required by law, will have the option to fulfill their obligation by purchase of Renewable Energy Certificates (REC). RECs will be traded at power exchanges in India.

## Additional Source of Revenue

For renewable energy producers – wind farms owners, biomass power plants, small hydro projects, etc, RECs present a very valuable opportunity. These renewable energy producers will be able to sell REC at power exchanges in India, and will therefore be able to generate an additional source of revenue. Like Carbon Credits, REC are likely to be very valuable – the Central Electricity Regulatory Commission (CERC) has notified that the floor and ceiling prices will range from Rs 1.5 to Rs 3.9 per unit (for non-solar RECs).

## Eligibility for RECs

Renewable Energy producers that sell power at the average pooled price in the region, or in the open access market will be eligible for availing the benefits and selling RECs. There are certain exceptions and differences in the regulations for each state. Individual projects will need to be evaluated based on their location for eligibility.



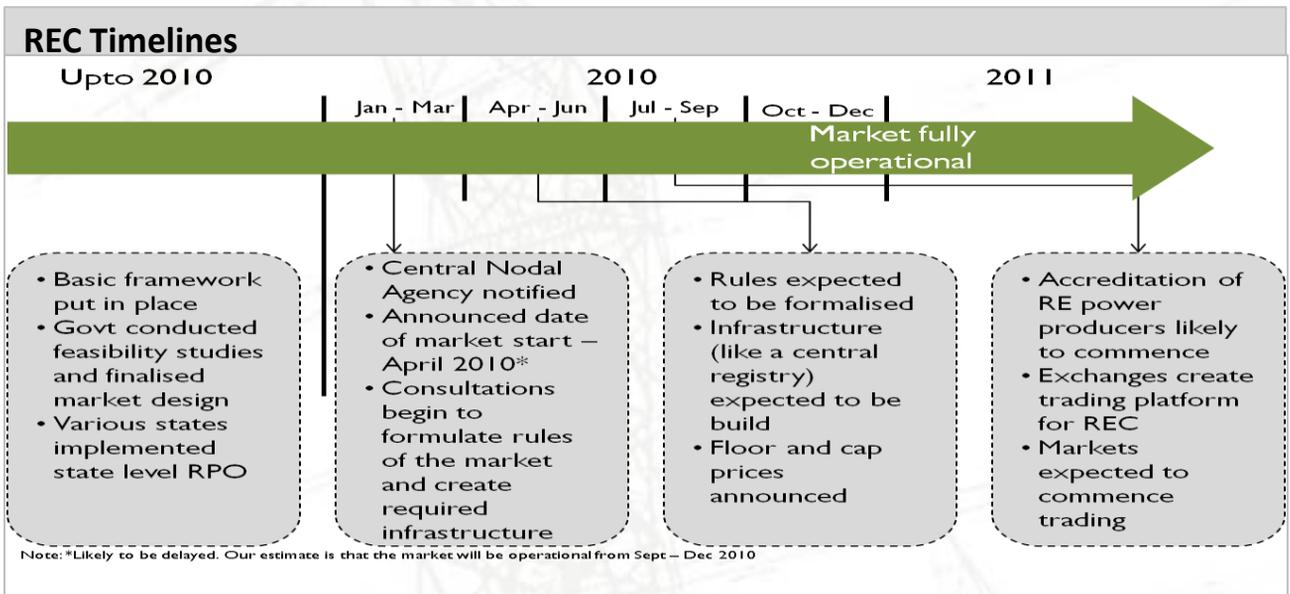
For a free diagnostic to assess if your renewable energy project is eligible for RECs, please fill details in the form available on our website ([www.reconnectenergy.com](http://www.reconnectenergy.com) under contact us section).

## REC markets will start in a matter of months

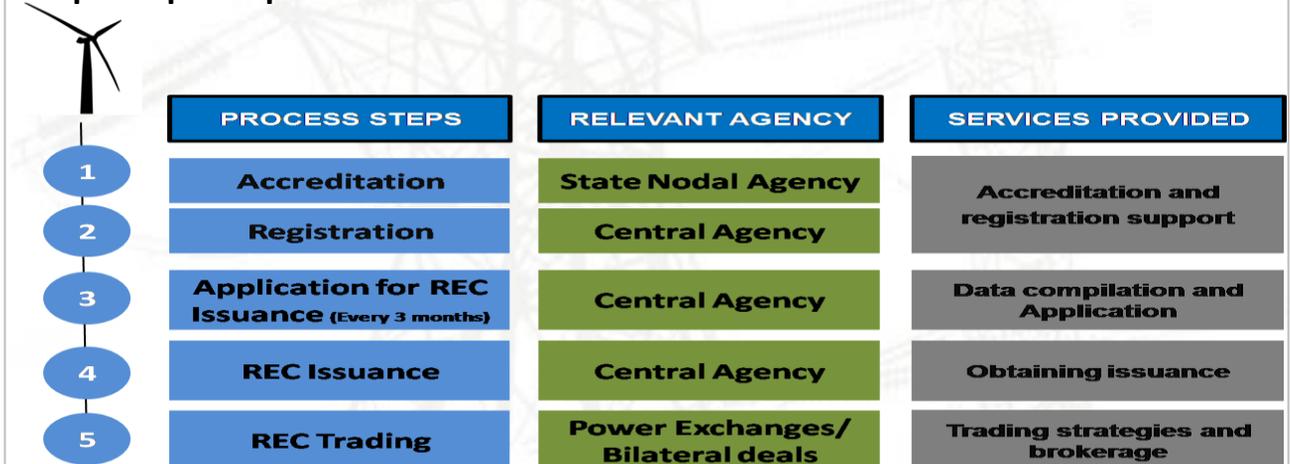
The infrastructure and legal process of starting the REC market is well underway. Draft rules and procedures have been drafted, and in a matter of months trading is likely to start in RECs.

## How to avail the benefits of RECs

To be eligible to avail RECs and sell them in the open market, a renewable energy producer will have to be registered with the Central and State Nodal Agencies. Once the registration is complete, Renewable Energy Producers will be eligible to claim and sell REC on a regular basis based on the actual energy produced.



## Steps for participation in REC and our services



## 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

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**Recent comment on the REC market in a news article:**

**“This will become one of the most progressive regimes as far as renewable energy is concerned”**