CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 & First Amendment, 2026

Principal notified 9 May 2022 · First Amendment notified 24 March 2026 · No. RA-14026(11)/1/2022-CERC

REC Framework at a Glance

- Central Agency: National Load Despatch Centre (NLDC), which registers eligible entities, issues Certificates, and maintains the Certificate Registry.
- Eligible entities: RE generating stations, captive generating stations based on RE, distribution licensees, and open access consumers exceeding their RPO.
- Lifecycle: Accreditation (State Agency/RLDC) → Registration with NLDC, valid 25 years → Issuance (within 6 months of generation, or 3 months for obligated entities) → Exchange/Redemption via Power Exchanges or traders.
- Each Certificate = 1 MWh of RE electricity generated and injected into the grid, issued in multiples of the applicable Certificate Multiplier.

What the First Amendment, 2026 Changes

- Adds 3 new definitions: Designated Consumer, Renewable Consumption Obligation (RCO) — both tied to the Energy Conservation Act, 2001 — and Virtual Power Purchase Agreement (VPPA).
- Regulation 4(3): broadens captive-station eligibility to RE plants with self-consumption that don't strictly meet the Electricity Rules, 2005 captive definition.
- Regulation 10(3): shifts the 3-month Certificate-issuance deadline for obligated entities to start from the State Commission's RPO-purchase certification date, not financial year-end.
- New Regulation 14A: introduces the first REC treatment for VPPAs — Certificates transfer directly to the consumer/designated consumer, are used for RPO/RCO compliance, and are then extinguished (excess can carry forward but not be sold).
- Appendix-1 fully replaced: Certificate Multiplier is now a 3-factor weighted score (Tariff Range 40%, Technology Maturity 30%, Capacity Credit/Peak Support 30%) instead of tariff range alone.

Certificate Multiplier — Old vs New

Technology	Old Multiplier (tariff-only)	New Multiplier (3-factor)
Solar / Onshore Wind	1.0	1.0
Hydro (Large)	1.5	3.0
Small Hydro Power (SHP)	—	2.5
MSW / Non-fossil Cogeneration	2.0	3.0
Biomass / Biofuel	2.5	3.0
Offshore Wind	Not covered	4.0
Pumped Hydro	Not covered	3.0
BESS (charged from RE only)	Not covered	3.0
Hybrid RE	Not covered	1.5

Grandfathering: stations commissioned after 5 Dec 2022 and before the Amendment's effective date keep the old table for up to 15 years from commissioning. Stations commissioned after the effective date fall under the new Appendix-1 scoring.

Why It Matters

This is CERC's most substantive REC-framework revision since 2010. The shift from a single tariff-based multiplier to a 3-factor score (tariff, technology maturity, capacity credit) sharply increases the reward for offshore wind (4.0x), pumped hydro, BESS, biomass and large hydro (all 3.0x) relative to solar and onshore wind (unchanged at 1.0x) — a clear signal of where CERC wants investment to flow. Separately, the new Regulation 14A gives corporate offtakers a formal REC-compliant route through Virtual PPAs, and the Regulation 10(3) timeline change means REC applications must now be tracked against each State Commission's certification date rather than the fiscal year-end. Regulatory trackers, project-appraisal multiplier assumptions, and any VPPA structuring should be updated accordingly.