

USAID's South Asia Regional Energy Partnership (SAREP)

National Workshop on **Exploring Virtual Power Purchase Agreements for India**

July 13, 2023

Session: Challenges for RE developers in India – how VPPA can address these challenges?

Mr. Subrahmanyam Pulipaka,
CEO, National Solar Energy Federation of India



Where are we?

CERC passed orders in April 2009 and January 2010 claiming exclusive jurisdiction over forward contracts and futures in electricity in a matter involving commodity exchanges MCX and FMC.

Aggrieved by this decision, the commodity exchanges filed a writ in high court and the matter was finally settled by the Hon'ble Supreme Court.

During the pendency of the matter MoP formulated a committee on efficient regulation of electricity derivatives and the committee recommendations were agreed upon by SEBI and CERC and were issued as an office memorandum dated July 10th 2020

After hearing arguments from both sides and taking into cognizance the office memorandum issued by the Ministry of Power, the matter was finally settled by the Hon'ble Supreme Court.

All, ready physical delivery contract, and specific delivery contracts in electricity, wherein the rights and liabilities are not transferable (**Non-transferable Specific Delivery Contract**), entered by members of the power exchanges, registered by CERC, shall be regulated by CERC.

All commodity derivatives in electricity other than Non-transferable Specific Delivery Contract shall fall under the purview of SEBI.

Challenges in Conventional C&I PPAs



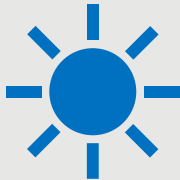
Catering the Smaller
Segments(Esp. MSMEs)



Supplying to Establishments
with Multiple Sites



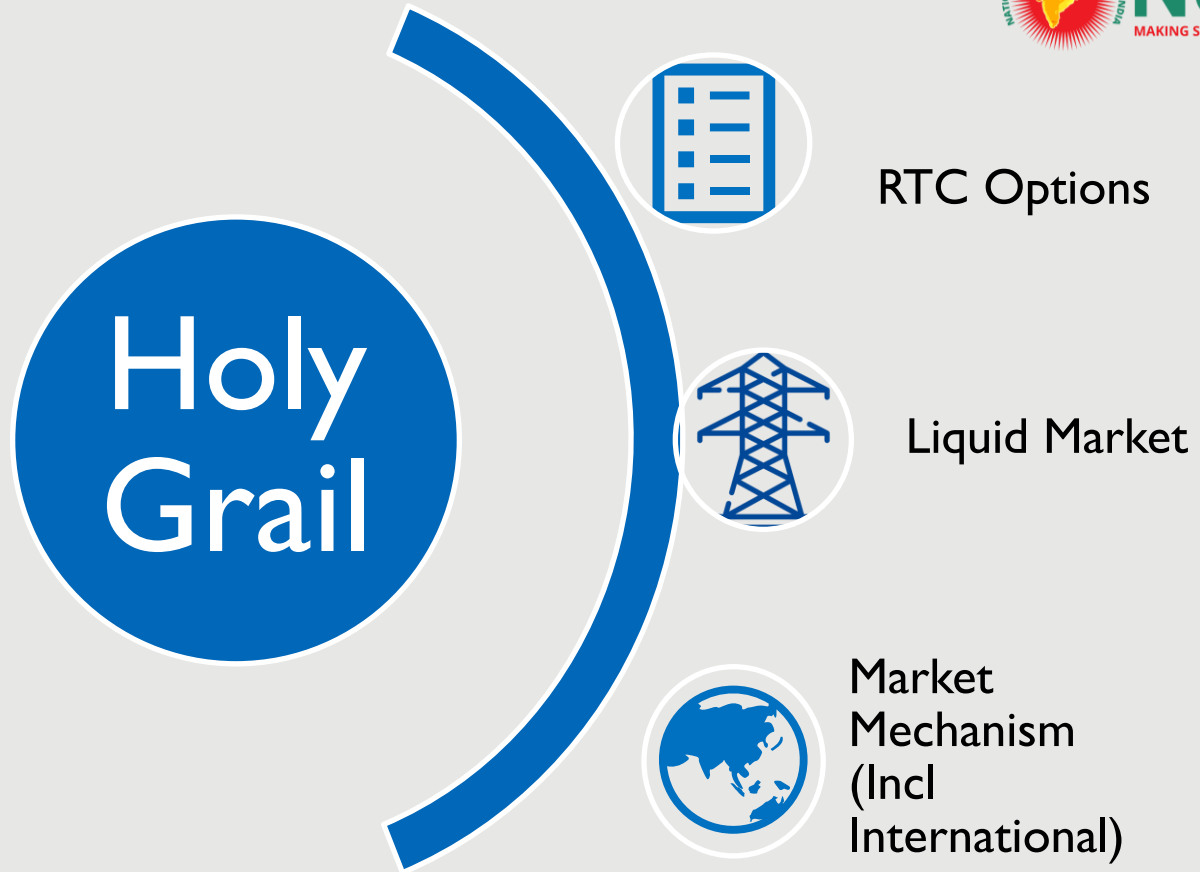
State Policy Impediments



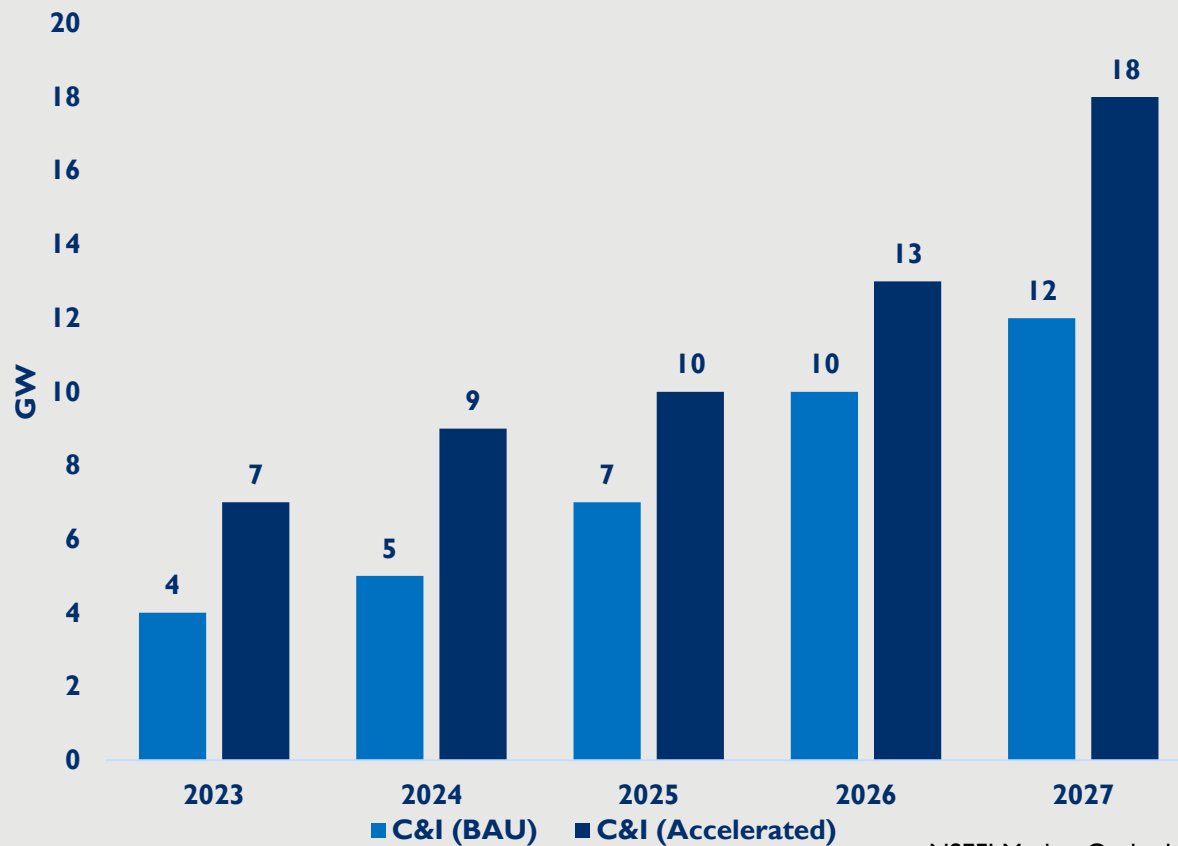
100% RE Supply (Physically)



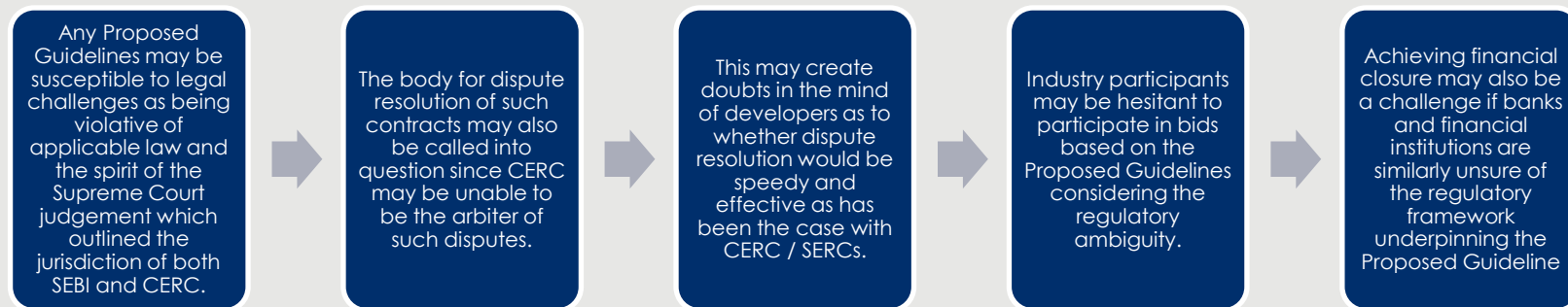
Evacuation Infra (Esp. State
Level)



Outlook



Way Forward



SEBI/the Ministry of Finance should clarify the non-applicability of the SCRA on 'non-transferable specific delivery contracts' for sale of carbon credits/RECs and/or notify that electricity derivatives could be traded bilaterally and other forms & structures outside the domain of stock exchanges.

Thank you
