

FRIDAY | 23 DECEMBER 2022

Case Update



DELHI HIGH COURT SUSPENDS TRADING IN RENEWABLE ENERGY CERTIFICATES FOR SIX WEEKS IN PENDING THE CHALLENGE TO THE REC REGULATIONS 2022



The Hon'ble Delhi High Court on 20.12.2022, in Writ Petitions filed by Associations of Wind Power Producers and Bagasse based Power Producers [Indian Wind Power Generators Association - Northern Regional Council ("IWPA NRC") and Indian Sugar Mills Association ("ISMA")], provided interim relief to the Renewable Generators across the country by suspending the trading in Renewable Energy Certificates ("RECs") issued prior to 31.10.2022 for period of six weeks.

The Renewable Energy Generator Associations ("RE Associations") have filed the Writ Petitions seeking quashing of the certain provisions of the Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ("REC Regulations 2022") which have been brought into effect from 05.12.2022 by the Central Electricity Commission by which the REC mechanism has been significantly altered and has eliminated the concept of Floor and Forbearance price for RECs altogether.

The Order comes as a much-needed relief to the members of the RE Associations, as the REC Regulations 2022 seek to abridge their legitimate interests to the assured minimum recovery under the previous regulations and also effect the RECs retrospectively, which would lead to huge losses to the Renewable Generators whose RECs have remained unsold for a considerable time. The next trading sessions of RECs on the power exchange platforms were to take place on 28.12.2022 and 2.01.2023 and the High Court has provided the much required interim relief pending consideration of the Renewable Generator Associations' Petitions.

IWPA (NRC) and ISMA were advised and represented by Mr. Shri Venkatesh, Managing Partner, Mr. Bharath Gangadharan, Senior Associate, Mr. Nihal Bhardwaj, Associate, Mr. Jayant Bajaj, Associate and Mr. Kartikay Trivedi, Associate.

The Order passed by the Hon'ble Delhi High Court can be accessed [here](#).