

DRAFT

**DETAILED PROCEDURE FOR TRANSACTION OF ENERGY SAVINGS
CERTIFICATES (ESCERTS)**

BY

BUREAU OF ENERGY EFFICIENCY

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PROCEDURE FOR REGISTRATION OF A DESIGNATED CONSUMER WITH REGISTRY AS ELIGIBLE ENTITY

1. INTRODUCTION

- 1.1. This procedure shall provide guidance to the Designated Consumer to become Eligible Entity as envisaged under Central Electricity Regulatory Commission (Terms and Conditions for Dealing in Energy Savings Certificate) Regulation, 2016 issued by CERC on 27th May, 2016 and notified on 30th May, 2016 and as amended from time to time, (hereinafter referred to as “the CERC ESCerts Transaction Regulations”). This procedure shall be called *‘Procedure for Registration of a Designated Consumer with Registry as Eligible Entity’*.
- 1.2. This procedure is issued in compliance with clause 7(a) of the CERC ESCerts Transaction Regulations and is to enable implementation of the said Regulation so as to facilitate the transaction of Energy Savings Certificates between the Eligible Entities who have been issued ESCerts and the Eligible Entities who shall comply with the prescribed energy norms and standards for the current and subsequent cycles.
- 1.3. Words and Expressions used in these Procedures shall have the same meaning as provided in Energy Conservation Act 2001, Energy Conservation (Energy Consumption Norms and Standards for Designated Consumers, Form, Time within which, and Manner of Preparation and Implementation of Scheme, Procedure for Issue of Energy Savings Certificate and Value of Per Metric Ton of Oil Equivalent of Energy Consumed) Rules 2012, (PAT Rules) and

amendment thereof, CERC ESCerts Transaction Regulations and CERC Power Market Regulation, 2010 and amendment thereof.

2. APPLICABILITY AND SCOPE

2.1. This procedure shall be applicable to the Designated Consumer to whom Ministry of Power (MoP) have either issued ESCerts or entitled them to purchase ESCerts to comply with the prescribed energy norms and standards in any PAT Cycle, through online PATNet portal.

2.2. Subsequent to receiving of the requisite details from the Designated Consumer, Registry shall undertake the registration of all Designated Consumer as 'Eligible Entity'¹ for each PAT Cycle. Eligible entity as per clause 9 of the CERC ESCerts Transaction Regulations is as follows:

2.2.1. Eligible entities issued ESCerts in electronic form in a cycle period for achieving specific energy consumption less than the energy consumption norms and standards notified by the Central Government for the cycle period, under Energy Conservation Rules, and subsequent cycles, who have held such certificates in Registry account;

2.2.2. Eligible entities whose specific energy consumption are more than the prescribed energy consumption norms and standards specified for a cycle period and subsequent cycles and who wish to comply with the prescribed energy consumption norms and standards using ESCerts in lieu of implementing energy conservation and energy efficiency improvements measures

2.3. As per clause 13(b) of the PAT Rules 2012, the designated consumer, referred in 2.2.2 above, shall purchase the energy savings certificates equivalent in full satisfaction of the shortfall in the energy consumption norms and standards worked out in terms of metric ton of oil equivalent. As per clause 14 A(2) of the Energy Conservation Act 2001,

¹ The Eligible Entity shall have the same meaning as defined under clause 2 (i) and clause 9 of the CERC (Terms and Conditions for Dealing in Energy Savings Certificates) Regulations, 2016.

the designated consumer whose energy consumption is more than the prescribed norms and standards shall be entitled to purchase the energy savings certificates to comply with the prescribed norms and standards.

2.4. ESCerts once purchased cannot be resold as ESCerts are being purchased for compliance only.

2.5. The registration granted by the Registry to the Designated Consumer as Eligible Entity for a particular PAT Cycle shall remain valid as per PAT Rules till the compliance period of the next PAT cycle unless otherwise revoked prior to such validity period in pursuance of conditions for revocation as outlined under these Procedures.

3. STEP -WISE DESCRIPTION OF THE PROCEDURE

The procedure for registration of the Designated Consumer, as Eligible Entity for any PAT Cycle with the Registry includes the following steps:

3.1. STEP 1: An application for getting registered shall be made by the Designated Consumer to the Registry through PATNet portal as per Format 1.1 and shall also submit the same information in physical form duly signed by Authorised signatory to the Registry. The checklist for submission of Application for Registration is given in Annexure-A.

The application for registration shall contain the following information, as per the enclosed format (**FORMAT - 1.1:** Application Form for Registration of Designated Consumer to become Eligible Entity):

- i.** PAT Cycle Details
- ii.** Owner(s) Details
- iii.** Details of Fees and Charges
- iv.** Declaration
- v.** Attachments (Scan copy of PAN, TAN, CIN, Service Tax Number, Authorisation letter)
- vi.** Details of issued ESCerts, if applicable

- vii. any other relevant information as prescribed by Administrator/Registry from time to time

3.2. STEP 2: After receipt of application for registration, the Registry shall undertake preliminary scrutiny to ensure that Application Form is complete in all respect along with necessary documents and applicable registration fees and charges including service tax as per Government Rules. The Registry shall undertake preliminary scrutiny of the Application Form within 15 days (calendar days including weekends but excluding gazetted holidays) from date of receipt of complete Application in both electronic and its physical form.

3.3. STEP 3: After conducting the preliminary scrutiny, the Registry shall ask for further information, if necessary. If Application is complete in all respect, including payment of fee and charges, then Registry shall register the Designated Consumer within 15 days from the date of receipt of complete Application and issue the 'Certificate for Registration' to the concerned Designated Consumer as 'Eligible Entity'. If application is rejected by Registry then reasons for rejecting the application shall be communicated to the concerned designated consumer through PATNet Portal.

3.4. STEP 4: While considering any application for Registration, the Registry shall verify and ascertain availability of the following information:

- a. Permanent Account Number (PAN)
- b. Tax Deduction and Collection Account Number (TAN)
- c. Corporate Identity Number (CIN)
- d. Service tax number
- e. Details of payment of registration fees/charges

- f. Hard Copy of Application signed and stamped on each page and declaration of Applicable Clauses given in online application on letter head of the concerned Designated Consumer.
- g. Authorisation Letter
- h. details of ESCerts issued or entitled to purchase

3.5. STEP 5: Registry reserves its right to seek clarification/ information/ documents at any stage. On failure to provide the required information by the eligible entity, the Registration shall be liable to be revoked.

3.6. STEP 6: After the completion of the registration process, the Registry shall issue the electronic 'Certificate of Registration' to the respective Designated Consumer and share the list of Eligible Entities for each PAT Cycle with the respective Power Exchange and Administrator.

4. Issuance of ESCerts By MoP, and verification of the same on D-CRM by Registry

4.1. MoP shall issue ESCerts in electronic form with the unique ESCert number assigned to each ESCert as per FORMAT - 1.2.

4.2. Subsequent to issuance of ESCerts by MoP, at the time of registration, Registry shall cross-check the ESCerts in the account of each designated consumer, wherever applicable.

4.3. Registry shall allow dealing in ESCerts after Registration of Designated Consumers as an eligible entity as per the provisions of this Procedures, and Regulations.

4.4. As per the clause 12(4) of PAT Rules, bilateral trading even within the same corporate group is not permitted and accordingly inter-sectors self-retention/transfer of ESCerts is also not permitted.

5. FUNCTIONS, ROLES AND RESPONSIBILITIES OF ENTITIES INVOLVED

The roles and responsibilities of the entities involved is elaborated in the following paragraphs,

5.1. Eligible Entity

- a. The Designated Consumer shall apply online on PATNet portal and submit the hard copy along with the requisite attachment to the registry for getting registered as eligible entity for transaction of ESCerts on Power Exchange as per **FORMAT - 1.1**.
- b. The Designated Consumer shall coordinate with the Registry and shall be responsible to submit the information in a timely manner so as to enable Registry to comply with requirements for Registration within the time frame envisaged under CERC (Terms and Conditions for Dealing in Energy Savings Certificates) Regulations, 2016.
- c. All Designated Consumer for each PAT Cycle shall pay one time non-refundable Application Processing Fee along with the Registration Fee and ESCert Fee, if applicable as determined by the CERC from time to time as defined in clause 9 of this procedure.
- d. Designated consumers shall follow the procedures as mentioned in **Annexure-B** for submission of documents to Registry.
- e. Whenever there is a change in the legal status of the eligible entity or name change of the eligible entity, Designated Consumer shall send a request to Administrator for the same.
- f. Administrator shall make the desired changes in the name of the concerned Designated Consumer on PATNet Portal and inform the same to Registry and Power Exchange (e.g. change from partnership

to company), or other cases involving a change in the name of the eligible entity, the following steps shall be adhered.

- i. Designated Consumer shall send a request to Administrator to update their records through an application to Sector In-charge along with the relevant documents like Board Resolution regarding name change, certificate of name change from Registrar of Companies, approval of concerned authorities, State Agency, etc.
- ii. Sector In-charge at BEE shall make the desired changes in the name of the concerned Designated Consumer in their account on PATNet Portal after getting the approval from Competent Authority in BEE.
- iii. The details shall be updated in the database and the same shall be submitted to the Registry with a copy to the Power exchanges.

5.2. Registry

- a. Comply with the directions issued by the Central Electricity Regulatory Commission from time to time.
- b. Issue electronic Certificate of Registration to the Designated Consumer in a timely manner upon due processing of the Registration Form.
- c. In case of rejection, intimate reasons of rejection in a timely manner.
- d. Collect fees and charges from eligible entities as per fee order of the Commission to be issued along with this Procedure, as prescribed in clause 12 of the CERC ESCerts Transaction Regulations, for the purpose of meeting the cost and expense towards the management of Registry and software platform.

- e. Intimate registration of Designated Consumer as eligible entity to the following through PATNet Portal and D-CRM:
 - Concerned Designated Consumer
 - Administrator
 - Power Exchanges
- f. Follow the directions of CERC to initiate enquiry and/or process for revocation of registration granted to Eligible Entity upon due process.
- g. NLDC operating under POSOCO as a Registry will be using D-CRM as an end user with Administrator and all changes in the D-CRM shall be done by Administrator.

5.3. Administrator

- a. Administrator for each PAT cycle shall provide the hard copy of the list of Designated Consumers with number & details of ESCerts numbers issued by the MoP and the list of Designated Consumers who shall comply the Energy Consumption Norms and Standards as per PAT cycle. If there is any mismatch between the details given in the hard copy and the details available in D-CRM portal, then Registry will take the details as provided in the hard copy by the Administrator.
- b. Administrator shall provide the details of those Designated Consumers whose records are updated in the PATNet Portal on account of the change of name/legal status to the Registry and Power Exchanges and report containing the old name and new name of the eligible entity shall be maintained in a report form on DCRM.
- c. Administrator owns the servers and software(s) utilized for PATNet and trading of ESCerts. Therefore, Administrator shall act as a web administrator for PATNet portal and D-CRM. And, software changes

in PATNet portal and D-CRM shall be made by the Administrator and the same shall be informed to the Registry.

- d. Administrator shall depute an in-house IT support staff at Registry for providing IT assistance in D-CRM during initial phase of implementation of CERC ESCerts Transaction Regulations, compliance period, trading sessions, and whenever required by the Registry.
- e. Provide information related to designated consumers for each PAT Cycle, Disaster Recovery Server, Software Requirement Specification (SRS) document Interface details of PATNet portal and D-CRM, details of any changes in the Rules, Notifications, and other details to the Registry.
- f. Administrator has developed an online IT Platform named as PATNet portal to facilitate the issuance of ESCerts by MOP and thereafter dealing of ESCerts as per CERC Regulations. This platform provides access to the officials of the Designated Consumers, State Designated Agencies, and Bureau of Energy Efficiency. Activities starting from online submission of Monitoring and Verification reports from the Designated Consumers for online issuance to the extinguishment of ESCert will be facilitated by this PATNet portal.
- g. The administrator shall ensure that the D-CRM used by the Registry, Administrator and the Power Exchanges would ensure generation and preservation of electronic trail of all transactions.
- h. For the trading of the ESCerts, there is a separate D-CRM where the POSOCO as a Registry and both the Power Exchanges have the login facilities. Trading related reports, order matching, cross-check and confirmation reports will be generated on this platform and the same shall be exchanged between the Registry and both the Power Exchanges.

6. INFORMATION REQUIREMENT - APPLICATION FORM & CONTENT

For the purpose of registration of the Designated Consumer as Eligible Entity, the Applicant shall furnish information to the Registry in the format as elaborated in **FORMAT-1.1**.

7. REPORT: FORMAT FOR REGISTRATION CERTIFICATE

The Registry shall grant 'Certificate of Registration' to the Designated Consumer as Eligible Entity to become eligible for transaction of ESCerts on Power Exchange(s) as per **FORMAT 1.3**.

8. TIMELINES

8.1. From the date of issuance of CERC order by the Administrator on the Procedure for Transaction of ESCerts, the Power exchanges shall within 15 days seek approval of the Commission on the Business Rules. Immediately after approval of Business Rules by the Commission the Power Exchanges shall start the registration of eligible entities for trading in their respective exchanges within a duration of 15 days.

8.2. The Designated Consumer shall submit the application for registration to Registry to become Eligible Entity within 15 days from the date of issuance of this Procedure in respective PAT Cycles.

8.3. The Registry shall either confirm or reject the registration form on the PATNet Portal within 15 days from date of receipt of the complete application in hard copy by the Registry. The Registry shall inform the applicant with regard to the short comings in the application within 7 days, if any.

- 8.4. The Designated Consumer shall furnish other details, if required by the Registry within 7 days so as to enable Registry to undertake the registration of that Designated Consumer.
- 8.5. In case the applicant fails to furnish the information requested by the Registry within the stipulated time frame, the Registry may abandon the registration of the Eligible Entity and retain the Application Processing Fee (APF) paid by the applicant and refund the other fee and charges.
- 8.6. In above sections of clause 8, within 30 days from the date of issuance of CERC order by Administrator the registration of eligible entities at Registry and Power exchanges will be completed. With a margin of 10 days from here, the trading of ESCerts shall immediately start after forty days from the date of issuance of these Procedures. The timelines for transaction of ESCerts is mentioned in clause 17 of these procedures.
- 8.7. From 40 days of the date of issuance of this Procedure the trading of ESCerts shall be allowed at Power exchanges for two months or 60 days whichever is more, and Eligible entities shall submit Form D for meeting their compliance within one month from the completion of trading of the respective cycle, as explained in A(1) of Annexure A of this Procedure and also mentioned in clause 13 (1) of PAT Rules 2012 and its amendment thereof.
- 8.8. If in any circumstances the timelines mentioned above requires to be changed, the Administrator shall intimate all the stakeholders by 'Public notice' for change in timelines, and shall inform CERC about the same.

9. FEES AND CHARGES

- 9.1. All Designated Consumers applying to become 'eligible entity' shall pay the fees and charges (as notified by the Commission from time to time) towards the following:

- i. One time Application Processing Fee (APF)
- ii. One time PAT-Cycle Registration Fee (PRF)
- iii. ESCert Fee to be paid by the Designated Consumers to whom ESCerts have been issued by MoP
- iv. Annual Maintenance fee for particular financial year to be paid by all eligible entities.

9.2. All fees and charges shall be payable by way of Electronic Clearing System/online payment facility/Demand draft and transaction charges shall be borne by the applicant. Registry shall collect fees and charges from eligible entities as per fee order of the Commission to be issued along with this Procedure, as prescribed in clause 12 of the CERC ESCerts Transaction Regulations. Subsequent to realising the fee and charges by the Registry, an invoice shall be generated and its copy shall be sent to DC through PATNet portal.

10. EVENT OF DEFAULT/NON-COMPLIANCE AND CONSEQUENCES THEREOF

10.1. If the Registry, after making an enquiry or based on the notification received from the Administrator, is satisfied that continued registration of any Eligible Entity is not in the interest of operations of ESCerts transaction, it may revoke registration of the Eligible Entity in any of the defaults/non-compliance specified below:

- i. where the Eligible Entity, in the opinion of the Registry or administrator, makes willful and prolonged default as defined in clause 10(7) of CERC ESCerts Transaction Regulations which are contraventions to the provisions of these procedures or CERC ESCerts Transaction Regulations;
- ii. where the Eligible Entity fails within the period required in this behalf by the Registry -

- a. to show, to the satisfaction of the Registry, that it is in a position fully and efficiently to discharge the duties and obligations imposed on it by its registration; or
 - b. to pay the fees or other charges required for its registration.
- iii. Where the Eligible Entity fails to abide any other critical direction by Commission/Administrator under the procedure and regulation.

Consequences for Event of default:

10.2. Occurrence of any of the event of default, as defined in clause 14.4 of these Procedures and in clause 10(7) of CERC ESCerts Transaction Regulations, by Eligible Entity may result into revocation of Registration granted to such Eligible Entity for that PAT Cycle. Eligible entities with more than three cases of such defaults specified in a cycle shall be barred from transaction of ESCerts for next six months notwithstanding any penalty due to be imposed as per the provisions of the Energy Conservation Act, 2001.

10.3. However, the Registry shall provide adequate notice and chance to Eligible Entity to present its case before serving the Notice for Termination of Registration, which shall not be for period lower than 14 days.

10.4. In case Eligible Entity fails to address/rectify the default expressed by the Registry in the Notice within stipulated time period of 14 days, the Registry shall seek permission from the Commission, through Administrator, for proceeding with revocation of Registration granted to such Eligible Entity for that PAT Cycle. Administrator shall bring to the notice of the Commission the instances of such non-compliance of the CERC ESCerts Transaction Regulations for suitable action by the Commission.

10.5. If Registration is revoked by the Registry, in such cases, ESCerts credited/ exchanged shall remain valid as per PAT Rules and shall be available for transaction in the power Exchanges till valid ESCerts are available in the account of the concerned Designed Consumer.

10.6. The Eligible Entity on revocation of its registration by Registry may appeal before the Commission.

11. POWERS TO REMOVE DIFFICULTIES

If any difficulty arises in giving effect to any provision of these Procedures or interpretation of the Procedures, the BEE in consultation with Registry may make such provisions or propose amendments, not inconsistent with the provisions of CERC ESCerts Transaction Regulations, upon seeking due approval from the Commission, as may appear to be necessary for removing the difficulty.

FORMAT - 1.1:

Application Form for Registration of Designated Consumer (DC) to become Eligible Entity (EE)

Section A: PAT Cycle Details

PAT Cycle (duration):

DC Registration Number:

DC Name:

Sector:

State:

Name of State Designated Agency:

Plant Address:

Plant Head Name:

Plant Head Contact Details:

Number of ESCerts Issued/ to be purchased:

Postal Address:

Year of Establishment:

**Authorized Signatory of the Application (submit authorization Letter by
CEO/CMD/MD/Director/Partners/Board Resolution):**

Section B: Owner Details

Name of the Applicant:

Type of Applicant:

(Individual/HUF/Partnership/Ltd Co. /Pvt. Ltd. Co. /Public Ltd. Co/Cooperative Society)

Postal Address of the Applicant:

Town/Suburb:

State:

Postal Code:

Primary Contact Name:

(Name of Authorised Signatory)

Position:

Phone:

Fax:

Mobile:

E-mail Address:

Permanent Account Number (PAN):

Tax Deduction and Collection Account Number (TAN):

Corporate Identity Number (CIN):

Service Tax Number:

Secondary Contact Name:

Section C: Details of Fee & Charges

A. Name of the Bank:

B. Details of Fee Paid (Fees along with tax details):

- i.** Application Processing Fee (APF) - Rs.
- ii.** PAT-Cycle Registration Fee (PRF) - Rs.....
- iii.** ESCert Fee (if applicable) - Rs.....
- iv.** Annual Maintenance Fee - Rs.....
- v.** Service tax (as applicable on above i-iv) - Rs.....

C. Transaction reference number:

D. Mode of payment (online/through DD) :

E. DD details (if applicable):

Section D: Declaration

Declaration to be signed by the M.D./CEO/Authorised Signatory of the Applicant

I/We certify that all information furnished above is true to the best of my/our knowledge and belief. I/We shall abide by such terms and conditions that the Central Electricity Regulatory Commission may impose from time to time, to participate in the ESCerts transaction Mechanism from time to time.

INDEMNIFICATION

The Designated Consumer shall keep the Registry indemnified at all times and shall undertake to indemnify, defend and save the Registry harmless from any and all damages, losses, claims and actions, including those relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Registration/transaction of ESCerts under ESCerts transaction Mechanism. The Designated Consumer shall keep Registry indemnified at all times and shall undertake to indemnify, defend and save the Registry harmless from any and all damages, losses, claims and actions, arising out of disputes with Administrator, SDAs, as well as with Power Exchange(s), inclusive of confidentiality issues.

Signature of the applicant

(Seal of the Company)

Date:

Place:

FORMAT - 1.2:
ESCerts Number Format

CYCLE	ESCerts Serial Number	DC Registration Number	-	DATE (Issued) [DDMMYY]
01	00000001	DC Registration Number	-	DDMMYY

FORMAT 1.3:
CERTIFICATE OF REGISTRATION

This is to certify that _____ (*Name of the Designated Consumer*) _____ [*DC Registration Number*] has been registered with Registry as 'Eligible Entity' for the PAT Cycle ____ .

This registration is granted subject to fulfilling the Rules, Regulations and Procedures specified by the CERC/Administrator/Registry from time to time.

The expiry of this certificate is due on the compliance of next PAT Cycle.

Authorized Signatory of Registry
(Address of the Registry)

CHECK LIST FOR REGISTRATION APPLICATION

1. Hard Copy of Application signed and stamped on each page.
2. Declaration of Applicable Clauses given in online application on letter head of the concerned Designated Consumer.
3. Details of payment of registration fees/charges
4. Letter for authorised signatory if application is not signed by MD/CEO.

Type of Organization	Authority or his / her authorized representative.
Public Ltd.	Board Resolution / MD / CEO
Pvt Ltd.	Director / MD
Partnership	Partner / Director / MD
Individual / Proprietorship	Owner
Cooperative / Govt. Department	Head of the Organization / Authorized representative

5. Permanent Account Number (PAN)
6. Tax Deduction and Collection Account Number (TAN)
7. Corporate Identity Number (CIN)
8. Service tax number

Procedure for submission of the documents to the Registry

All communication regarding dealing in ESCerts to be addressed as follows:

The Nodal Officer,

ESCerts Registry,

1st Floor NLDC office

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.

All documents regarding ESCerts shall be accepted by the Courier/by hand or through services of Indian Post. However, the delivery of documents through courier/ by hand will be accepted on all working days during 10 AM to 12 noon & 3 PM to 5 PM and the same will be acknowledged through POSOCO date stamp & acknowledgement number. The person who is delivering the document shall call the POSOCO dispatch person through intercom facility which is available at POWERGRID entry gate. The POSOCO dispatch person shall collect the documents from POWERGRID entry gate and provide acknowledgement No. for the same.

The Application(s) for Registration of Designated Consumers to become eligible entities and the name of the DC has to be clearly stated on the envelope.

Further, the requisite documents to be submitted by BEE, Power Exchanges may be accepted by the POSOCO through their respective authorized e-mail.

PROCEDURE(S) FOR INTERFACE ACTIVITIES BETWEEN ENTITIES (POWER EXCHANGES AND REGISTRY, ADMINISTRATOR AND REGISTRY, REGISTRY AND DESIGNATED CONSUMERS) FOR TRANSACTION OF ESCerts

12. INTRODUCTION

12.1. These procedures shall provide guidance to the eligible entities registered with Registry, as defined in 'Procedure for Registration of a Designated Consumer with Registry as Eligible Entity' under clause 3 of this Procedure. This procedure shall be called *'Procedure for interface activities between entities (Power exchanges and Registry, Administrator and Registry, Registry and Designated Consumers) for transaction of ESCerts'*.

12.2. These procedures are issued in compliance with the clause 7 (a) of the CERC ESCerts Transaction Regulations in order to enable implementation of the CERC ESCerts Transaction Regulations so as to facilitate the transaction of Energy Savings Certificates between the Eligible Entities to whom ESCerts have been issued and the Eligible Entities who want to comply with the prescribed energy norms and standards for the current and the subsequent cycles.

12.3. Words and Expressions used in these Procedures shall have the same meaning as provided in Energy Conservation Act 2001, Energy Conservation (Energy Consumption Norms and Standards for Designated Consumers, Form, Time within which, and Manner of Preparation and Implementation of Scheme, Procedure for Issue of Energy Savings Certificate and Value of Per Metric Ton of Oil Equivalent of Energy Consumed) Rules 2012, CERC ESCerts Transaction

Regulations, CERC Power Market Regulation, 2010 and their amendment thereof.

13. APPLICABILITY AND SCOPE

13.1. These procedures shall be applicable to the Eligible Entity, Registry, Administrator and Power Exchange(s) while facilitating the transaction of Energy Savings Certificates.

14. STEP -WISE DESCRIPTION OF THE PROCEDURE

The entities involved during the Transaction of ESCerts shall be interacting with the online platform viz. PATNet portal and D-CRM developed by Administrator wherein Login facility shall be provided to the Registry, Power Exchanges and Designated Consumers.

14.1. STEP 1: The Eligible Entity shall place their Sell/buy bids on Power Exchange(s) in the manner as defined in respective Power Exchange(s) Business Rules approved by the Commission. The Eligible Entity may place their sell Bids on both the Exchanges simultaneously. The sum of the Sell Bids as placed by the Eligible Entity on the Exchanges shall be less than or equal to the total quantity of ESCerts available for transaction in its Registry account.

14.2. STEP 2: During the time the bidding window opens in the Power Exchange, the seller shall place their offers and the buyers shall place their bids through the trading platform of the respective Power Exchange(s).

14.3. STEP 3: Upon receipt of Sell bids till closure of trading window, as provided in bye-laws of respective Exchanges, each Power Exchange shall collate the Sell bids and send it to Registry through their account on D-CRM for verification of quantity of ESCerts put for Sell against the

quantity of ESCerts available for transaction with the concerned eligible entity in their Registry account.

14.4. STEP 4: The Registry, on receipt of sell Bids from each Power Exchange shall cross-check the cumulative sell bids placed by an Eligible Entity on Power Exchanges with the quantity of ESCerts available for transaction in their Registry account maintained on PATNet Portal.

(a) If the sum of such ESCerts offered for sell on both Exchanges is less than or equal to the quantity of ESCerts available for transaction in the Eligible Entity's Registry account, Registry shall send a confirmation report through their account on D-CRM to the respective Power Exchanges; or

(b) In case the cumulative sell bids placed by an Eligible Entity on Power Exchanges exceeds the quantity of ESCerts available for transaction in their Registry account, the Registry shall intimate the Power Exchanges to treat such eligible entities as **defaulter** and any bid submitted by such eligible entities shall not be considered by the Power Exchange for the purpose of discovering the Market Clearing Price (MCP) and Market Clearing Volume (MCV) in the current trading session.

14.5. STEP 5: Upon receipt of report from the Registry, the Power Exchange(s) shall aggregate all the buy bids & the confirmed sell bids and discover the Market Clearing Price (MCP) & Market Clearing Volume (MCV) through the closed double-sided uniform price auction for that particular trading session of ESCerts. After end of the order matching and transaction finalization phase, each Power Exchange shall upload the confirmation report on D-CRM portal providing the ESCerts sell and buy volume for each eligible entity who have successfully transacted ESCerts in that particular trading session.

14.6. STEP 6: Upon receipt of confirmation report from each Power Exchange, the Registry shall send the transaction approval acknowledgement to each Power Exchange.

14.7. STEP 8: Registry shall update the following details of the concerned eligible entities after successful trading session:

- Opening Balance [No. of ESCerts]
- ESCerts traded on the Power Exchanges
- Closing Balance [No. of ESCerts]

14.8. STEP 9: Transaction of ESCerts from one eligible entity to other shall be based upon First-In-First-Out (FIFO) principle.

15. FUNCTIONS, ROLES AND RESPONSIBILITIES OF ENTITIES INVOLVED

The roles and responsibilities of the entities involved are as follows:

15.1. Eligible Entity

- a. Adhere to directions given by the Commission, Administrator, Registry and Power Exchanges from time to time.
- b. Place sell or buy bid of Energy Savings Certificates to Power Exchange(s) in timely manner.

15.2. Power Exchange

- a. Formulate Rules & Byelaws for transaction of ESCerts on respective Power Exchange in accordance with the provisions of Energy Conservation Act, PAT Rules & the CERC ESCerts Transaction Regulations and shall issue the same after taking due approval from the Commission.

- b. Power Exchange(s) shall propose mechanism for price discovery for ESCerts on Power Exchange and seek approval of CERC for the same.
- c. Develop the IT Platform compatible with the PATNet portal and D-CRM for enabling online transaction of ESCerts.
- d. Permit the transaction of Energy Savings Certificates only to the Eligible Entities.
- e. Determine the market clearing price and the market clearing volume and the transaction results shall be published and made available to Eligible Entity through the Exchange terminals.
- f. Power Exchange(s) shall send reports for transaction confirmation and financial obligation, invoices including financial settlement i.e. the generated pay-in and pay-out for the executed transaction to the Eligible Entity.
- g. Power Exchanges shall issue the purchase certificate to the Buyers and details of the same shall be shared with the Registry.

15.3. Registry

- a. Assist in development of D-CRM and in hardware infrastructure for maintaining secure database of ESCerts and records of transaction of ESCerts.
- b. Formulate protocol for sharing of information related to transaction of Energy Savings Certificates in 'electronic form' with Power Exchange(s) and Administrator.
- c. Maintain records with respect to the transaction of Energy Savings Certificates based on information received from Power Exchange(s).

- d. After each trading session, the Registry shall update dashboard of the concerned eligible entity on the PATNet portal.
- e. Discharge the following functions in the process of ESCerts transaction
 - i. blocking and freezing transaction of defaulters, wherever applicable.
 - ii. Record keeping of ESCerts
- f. After the compliance of each PAT Cycle, on intimation from the Administrator about the extinguishment of ESCerts for the considered Eligible Entity, Registry shall extinguish such ESCerts from the Registry account of the concerned Eligible Entity, and thereafter the balance ESCerts, if any, shall be treated as Banked ESCerts of concerned PAT cycle.
- g. Any other function, as suggested by CERC.

15.4. Administrator

- a. Provide assistance to the Commission, Registry and Power Exchange(s) in matters involving transaction of ESCerts on Power Exchanges.
- b. Develop and maintain IT Platform for online transaction of ESCerts in accordance with the provisions of PAT Rules and Energy Conservation Act and CERC ESCerts Transaction Regulations and Orders.
- c. Administrator shall disseminate relevant market information to Designated Consumer, Registry, Power Exchange(s) etc.
- d. Provide information related to eligible entities for each PAT Cycle, Disaster Recovery Server, and Software Requirement Specification

(SRS) document, communication protocol for any modification in the Registry platform, etc.

- e. Coordinate with the Power Exchanges and Registry for smooth interface for transaction of ESCerts.
- f. After the compliance of each PAT Cycle (as mentioned in A (1) of **Annexure A** of this Procedure), Administrator shall intimate Registry regarding the extinguishment of ESCerts of the concerned Designated Consumers and the balance ESCerts in the account of the eligible entity shall be treated as Banked ESCerts of concerned PAT Cycle.
- g. Help manual for interface activities shall be prepared by the software developer and the same shall be provided to the Registry.
- h. Administrator shall ensure the accountability of the software developer for maintaining integrity and probity of the scheme.
- i. Discharge such other functions as may be assigned under these Regulations.

16. INTERFACING AND INFORMATION EXCHANGE

16.1. Various activities outlined under this Procedure shall be undertaken in 'Electronic Form' to the extent feasible. It is envisaged that Administrator shall devise an appropriate information sharing protocol for sharing of information with Registry, Power Exchange(s), and Eligible Entities, as may be necessary for implementation of this Procedure. The D-CRM used by the Registry, Administrator and the Power Exchanges would ensure generation and preservation of electronic trail of all transactions. Administrator shall also provide

access to the Commission to view D-CRM for reports on issuance of ESCerts to the Designated Consumers, list of eligible entities, status of ESCerts being traded and any other related reports.

17. TIMELINES FOR TRANSACTION OF ESCerts

17.1. The Buy Bids on Power Exchange(s) may be placed by any Eligible Entity who wants to comply with the prescribed energy norms and standards for the current and/or the next cycle as per the scope of trading for transaction of ESCerts annexed as **Annexure A**.

17.2. Transaction of ESCerts shall be undertaken on Power Exchange(s) in accordance with the Rules/Byelaws of Power exchange approved by the CERC. All valid and eligible offers for ESCerts received by Power Exchange shall be considered for trading to be carried out on weekly basis during the compliance period i.e. every Tuesday since 40 days from the issuance of this Procedure and upto the time period mentioned in clause 8.7 of this Procedure. In the event of a bank holiday, trading shall take place on the next bank working day. Power Exchanges shall put the list of bank holidays on their website and any changes in the trading date shall be communicated by Power Exchanges to the stakeholders. If there are other exigencies warranting change in the day for trading, the Bureau can make such change as considered necessary under intimation to all concerned.

17.3. The bidding window would open simultaneously on all the Power Exchange(s) designated for dealing in the ESCerts by CERC from 13:00 Hrs to 15:00 Hrs on the day of trading.

17.4. The Power Exchange(s) shall intimate the details of maximum offer placed for dealing by each eligible entity to the Registry by 15:30 Hrs on the day of trading session.

- 17.5.** The Registry shall cross-check the combined maximum bid volume in the Power Exchange(s) for each eligible entity against the quantity of ESCerts available in their respective Registry account. The Registry shall confirm the availability of the ESCerts in the respective eligible entity's Registry account by 16:00 Hrs.
- 17.6.** The Power Exchange(s) shall discover the Market Clearing Price and the Market Clearing Volume taking into account the cross-checked report received from the Registry by 17:00 Hrs.
- 17.7.** The Power Exchange(s) shall send the final cleared transaction by eligible entities, including details of purchase of ESCerts through 'Confirmation Report' to the Registry by 17:15 Hrs.
- 17.8.** Registry shall sends the 'Transaction Approval Acknowledgement' to the Power Exchange(s) by 17:30 Hrs.

Scope of Trading for Transaction of ESCerts

The scope of trading for transaction of Energy Savings Certificates as per the current provisions of PAT Rules 2012 under the PAT Scheme is as follows:

A. COMPLIANCE PERIOD - TRADING

- 1) The designated consumer for the purpose of achieving the compliance with the energy consumption norms and standards during the target year, **in the relevant cycle shall take the following actions and after completing the said action, furnish the status of the compliance to the concerned state designated agency with a copy to the Bureau in Form D, as per clause 13(a), by the end of one month from the completion of trading of the respective cycle** as may be specified by the Central Electricity Regulatory Commission. And as per clause 13(b), the designated consumer may use balanced energy certificates after the compliance, if any, for the purpose of banking and such banked energy saving certificates may be used for the compliance of the next cycle.
- 2) The frequency of transaction including date and day shall be as declared by the Commission in consultation with the Administrator from time to time.

B. TYPES OF ELIGIBLE ENTITY

1. There will be two types of Eligible Entities in every cycle, one with the issued Energy Savings Certificates and other with the entitlement to purchase Energy Savings Certificates to comply with the energy consumption norms and standards.

2. Scope of Transaction for Eligible Entities:

(a) If ESCerts are issued to the Eligible Entity:

The Eligible Entity to whom ESCerts have been issued can sell ESCerts available in their Registry's opening balance account; however they are not allowed to buy the ESCerts. Such Eligible Entity can only Sell or keep the credited ESCerts for the banking purpose.

(b) If ESCerts are to be Purchased by the Eligible Entity:

The Eligible Entities who are entitled to purchase ESCerts may purchase the number of ESCerts required to comply with the energy consumption norms and standards, however they are not allowed to sell or purchase over and above the quantum required for compliance.

C. ESCerts to be submitted for Compliance:

1. Eligible Entity is allowed to submit the ESCerts for compliance ranging from Zero to the number of ESCerts prescribed by MoP to be purchased by the Eligible Entity to comply with the energy consumption norms and standards as per PAT Rules.

D. Penalty for Non - Compliance with the Energy Consumption Norms and Standards:

1. ESCerts for which penalty shall be levied as per PAT Rules on Eligible Entity is the difference between the number of ESCerts entitled by MoP to be purchased by the Designated Consumers for Compliance and ESCerts Submitted for Compliance.

**ESCCerts for which Penalty will be levied =
ESCCerts Entitled by MoP to be Purchased by the Designated
Consumers for Compliance - ESCCerts Submitted for Compliance**

E. ESCCerts Banked for Next Cycle:

1. Banked ESCCerts are the balance ESCCerts which are available in the Eligible Entity's Registry account after the completion of the compliance process of current cycle.