

No. 09/13/2021 – RCM Part (1)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 05th August, 2025

To

1. Secretary, MNRE, New Delhi
2. Chairperson, Central Electricity Authority, Sewa Bhavan, R.K. Puram, New Delhi
3. Secretary, Central Electricity Regulatory Commission (CERC), New Delhi
4. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
5. Secretaries of All State Electricity Regulatory Commissions/JERCs.
6. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
7. CMD, SECI, New Delhi
8. CMDs/MDs of Discoms/ Gencos of all State Governments
9. CMD, IEX LTD New Delhi & MD/CEO, PXIL, Mumbai
10. DG, Association of Power Producers, New Delhi.
11. President, FICCI, House No. 1, Tansen Marg New Delhi
12. President, CII, New Delhi
13. President, PHDCCI, New Delhi
14. ASSOCHAM, Chanakyapuri, New Delhi
15. Member, PRAYAS Energy Group, Pune
16. DG, Electric Power Transmission Association (EPTA), New Delhi
17. Chairman Indian Wind Power Association, New Delhi
18. Chairman, Indian Wind Turbine Manufacturers Association, New Delhi
19. Director General, National Solar Energy Federation of India (NSEFI), New Delhi
20. DG, Solar Power Developers Association.

Subject: Revised Draft Gazette Notification on Renewable Consumption Obligation (RCO) under the Energy Conservation Act, 2001 – reg.

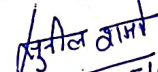
Sir / Madam,

I am directed to state that this Ministry, on 27th March 2025, issued draft amendments to the Gazette Notification on RCO for stakeholder consultation. After duly considering the comments in this Ministry, I am directed to forward herewith Revised Draft of the Gazette Notification on Renewable Consumption Obligation (RCO) with the request to provide your comments, if any, to this Ministry within 15 days from the date of issuance of this letter i.e., by 19th August 2025. The comments in word file may also be e-mailed at rcmdivision-mop@gov.in.

2. This issues with the approval of Competent Authority.

Encl: as above

Yours faithfully,


5/8/2025

(Sunil Kumar Sharma)
Director (RCM / NRE)
Sunil.sharma24@gov.in

Copy for information to:

PS to Hon'ble Minister for Power /APS to MoS (Power)/Sr. PPS to Secy(P), MoP/Sr. PPS to AS (R&R), MoP /PSO to CE (R&R), MoP

Copy to:

Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "Seeking comments on Revised Draft Gazette Notification on Renewable Consumption Obligation (RCO) under the Energy Conservation Act, 2001"

[TO BE PUBLISHED IN THE GAZETTE OF INDIA,
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MINISTRY OF POWER

NOTIFICATION

New Delhi,
the ____ July, 2025

S.O. (E).— In exercise of the powers conferred by section 14 of the Energy Conservation Act, 2001, (hereafter referred as ‘Act’) and in supersession of the notification vide No. S.O. 4617 (E) dated 20th October, 2023, except as respects things done or omitted to be done before such supersession, the Central Government in consultation with the Bureau of Energy Efficiency, hereby specifies the minimum share of electrical energy consumption from renewable energy sources for designated consumers, who are electricity distribution licensees, open access consumers and captive users. For open access consumers and captive users, this requirement applies to electricity consumption from sources other than distribution licensee.

2. The specified minimum share of electrical energy, referred to in first paragraph, from renewable energy sources as percentage of total electrical energy consumption (hereafter, in this notification, called as Renewable Consumption Obligation) for each category, shall be as per details given in the Table below:

TABLE

Sl. No.	Year	Wind energy	Hydro energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2.	2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
3.	2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
4.	2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
5.	2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
6.	2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

Note1:* For hilly and North-Eastern States / Union Territories, namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Uttarakhand, Union Territory of Jammu & Kashmir and Union Territory of Ladakh, the Distributed renewable energy obligation shall be half of that given in the Table and the remaining Distributed renewable energy component obligation for these States / Union Territories shall be included in the Other renewable energy component.

Note 2: The obligation under the **Wind energy** component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after 31st March, 2024.

Note 3: The obligations under the **Hydro energy** component shall be met by energy produced from Hydro Power Projects, commissioned after 31st March, 2024:

Provided that the obligation under the Hydro energy component may also be met out of the free power being provided to the State/ distribution licensee from such Projects:

Provided further that the obligation under the Hydro energy component may also be met from Hydro Power Projects located outside India, as approved by the Central Government, on a case- to-case basis.

Note 4: The obligation under the **Distributed renewable energy** component shall be met from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) and other

renewable energy sources notified by the Central Government:

Provided that the compliance against Distributed renewable energy obligation shall ordinarily be considered in terms of energy (kilowatt hour units):

Provided further that in case the designated consumer is unable to provide generation data against Distributed renewable energy installations, the reported capacity shall be converted into Distributed renewable energy generation in terms of energy by a multiplier of 4 kilowatt hour per kilowatt per day (kWh/kW/day).

Note 5: The obligation under the **Other renewable energy** component may be met by electrical energy produced from any renewable energy project other than specified in Note 2, 3 and 4. Other renewable energy shall include, but not limited to, energy from all (i) WPPs, (ii) Hydro Power Projects, including free power, commissioned before 1st April, 2024 and, (iii) Co-firing of biomass and Municipal Solid Waste (MSW).

3. Obligations under Wind, Hydro, and Other renewable energy components are **fungible** (shortfalls in one can be met by surpluses from others), while Distributed renewable energy is non-fungible for its shortfall but its surplus can offset other components.

4. For all the designated consumers, the Renewable Consumption Obligation shall exclude electricity consumed from **Nuclear** Power sources.

5. Open access consumers and Captive users specified as designated consumers shall meet the specified total Renewable Consumption Obligation, from any renewable energy source.

6. For open access consumers specified as designated consumers, Renewable Consumption Obligation shall include electrical energy

consumption at the point of injection from grid into the consumer's network.

7. For **captive users** specified as designated consumers, Renewable Consumption Obligation shall include electricity generated and self-consumed, excluding auxiliary consumption. The obligation shall exclude electricity generated and self-consumed from waste heat recovery process using fossil-based sources, except for electricity generated from a Waste Heat Recovery Steam Generator (WHRSG) in a captive Combined Cycle Gas-Based Generating Station. The obligations shall also exclude electricity generated and self-consumed through waste energy recovery - including from by-product gases, or other forms of residual energy sources associated with industrial processes. Further, the obligation shall exclude 50% (fifty percent) of the electricity generated and self-consumed from a fossil-fuel based co-generation plant.

Example: Imagine a designated consumer whose total electricity consumption in a year is 1000 MU, which includes the following:

Source	
A.From nuclear sources	100 MU
B.Electricity generated and self-consumed from waste heat/energy recovery process	200 MU
C.Electricity generated and self-consumed from fossil fuel based co-generation plant	300 MU
D.Electricity purchased from distribution licensee	100 MU

Source

E. Renewable electricity procured from grid-connected Captive sources/Open Access / behind the meter installations	200 MU
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So, the Adjusted Consumption for RCO calculation becomes:

$$= \text{Total consumption} - (A + B + 0.5 \times C + D)$$

$$= 1000 \text{ MU} - (100 + 200 + 0.5 \times 300 + 100) \text{ MU} = 450 \text{ MU}$$

Therefore, the RCO compliance percentage is:

$$= (\text{Renewable energy consumed} / \text{Adjusted Consumption}) \times 100$$

$$= (200 \text{ MU} / 450 \text{ MU}) \times 100 = 44.4 \%$$

8. For designated consumers who are **distribution licensees**, the Renewable Consumption Obligation shall be calculated based on the electrical energy supplied to consumers within the periphery of the distribution licensee. This supply shall not include the consumption of open access users from sources other than the distribution licensee, and the electricity generated and self-consumed by captive users.

Example: Imagine a Distribution Licensee has a total electricity input of 30,000 MU in a year, which includes:

Source

A. From Nuclear sources	2000 MU
B. From renewable sources including hydro, wind, solar, and cofiring biomass & municipal solid waste	10,000 MU
C. Distribution Losses	1500 MU

Source	
D.From fossil sources	Remaining

In addition to 30,000 MU electricity input, 500 MU is generated behind the meter from roof top solar (F)

Adjusted consumption for RCO calculation:

$$\begin{aligned}
 &= \text{Total input} + F - A \\
 &= 30,000 + 500 - 2000 \\
 &= 28,500 \text{ MU}
 \end{aligned}$$

Renewable energy consumed:

$$\begin{aligned}
 &= B + F \\
 &= 10,000 \text{ MU} + 500 \text{ MU} = 10,500 \text{ MU}
 \end{aligned}$$

RCO compliance percentage:

$$\begin{aligned}
 &= (\text{Renewable energy consumed} / \text{Adjusted consumption}) \times 100 \\
 &= 10500 / 28,500 \times 100 = 36.84\%
 \end{aligned}$$

9. Designated Consumers may fulfil the specified Renewable Consumption Obligation through one or more of the following methods:

- i. Consumption of renewable electricity, either directly or through an energy storage system;
- ii. Purchase of Renewable Energy Certificates (RECs) issued in accordance with regulations notified by the Central Electricity Regulatory Commission (CERC) including RECs acquired under Virtual Power Purchase Agreements (VPPAs); and
- iii. Payment of the buyout price specified by CERC.

Provided that the sums received through the buyout mechanism shall be credited to the Central Energy Conservation Fund under a

separate head, from which **fifty percent of the amount shall be transferred to the respective State Energy Conservation Fund.** Appropriate Government shall utilize these sums to support the development of specified renewable energy sources and storage capacities.

10. The Renewable Consumption Obligation compliance for multiple designated consumers under common control, as defined in the Companies Act, 2013, may be considered on an aggregate basis at the Holding Company level.

11. The Bureau shall monitor compliance of this notification and submit periodic report(s) to the Central Government. For compliance monitoring, all designated consumers shall furnish the required information to the Bureau, in the format provided in the Annexure, duly certified by the Energy Auditor or the State Load Dispatch Centre, as applicable.

12. Designated consumers shall submit their energy accounts for 2024-25 by 30th September 2025, and by 31st July for each subsequent year. They shall submit compliance report after meeting the shortfalls in Renewable Consumption Obligations through purchase of RECs or payment of buyout price, if any, by 31st March 2026 for 2024-25, and by 31st October for each subsequent year.

13. Any shortfall in meeting the Renewable Consumption Obligation shall be treated as non-compliance and penalty may be imposed in accordance with the provisions under sub-section (3) of section 26 of the Act.

14. In case of a non-compliance of this notification including but not limited to shortfall in meeting the Renewable Consumption Obligation, non-submission of required information, or submission of incorrect information, the Bureau or the State Designated Agency may process for imposing penalty, in accordance with the provisions of the Act and the Rules made thereunder.

Provided that the Adjudicating Officer may initiate suo-moto proceeding for imposing penalty under the provisions of Section 26 and 27 of the Act.

15. The Bureau may issue guidelines, as may be required, for implementation of this notification.

16. This notification shall be deemed to have come into force on the 1st day of April, 2024 and all the actions or things done during the existing notifications shall be protected.

[F.No.]

Additional Secretary to the Government of India

ANNEXURE (refer para 11)

Format for Submission of Information to Bureau by Distribution Licensees

Section A – Basic Information

- 1.a. Name of Obligated Designated Consumer: _____
- b. Registration No.: _____
- c. Target Year (FY): _____
- d. State: _____

Section B – Total Electricity Consumption (MU)

2. a. Adjusted Total Consumption ($= 2b + 2d - 2c$): _____
- b. Electricity Input: _____
- c. Electricity from Nuclear Sources: _____
- d. Behind-the-Meter Renewable Generation: _____

Section C – Renewable Electricity Consumption (MU)

3. a. Adjusted Renewable Electricity Consumption ($= 3b + 3c$): _____
- b. Renewable Electricity (excluding distributed renewables): _____
- c. Distributed Renewable Electricity (DRE): _____

Section D – RCO Compliance Summary

4. RECs / Buyouts (if any) (MU):
 - a. RECs Purchased: _____
 - b. RECs Self-retained: _____
 - c. Buyouts Purchased: _____
5. RCO Targets as Specified by MoP:
 - a. Total: _____ MU; _____ %
 - b. DRE: _____ MU; _____ %
 - c. Other: _____ MU; _____ %
6. RCO Compliance Achieved:
 - a. Total: _____ MU; _____ % ($= 3a / 2a \times 100$)
 - b. DRE: _____ MU; _____ % ($= 3c / 2a \times 100$)
7. Surplus / Deficit ($= 6a - 5a$): _____ MU; _____ %

Undertaking

I/We hereby declare that the information provided above is true and accurate.

Signature & Seal of MD / CEO: _____

Signature & Seal of State Load Dispatch Center: _____

Format for Submission of Information to Bureau by Captive and Open Access Consumers

Section A – Basic Information

1. a. Name of Designated Consumer: _____
- b. Industry Type: _____
- c. Registration No.: _____
- d. Target Year (FY): _____

Section B – Total Electricity Consumption (MU)

2. a. Adjusted Total Electricity Consumption ($= 2b - 2c - 2d - 2e/2 - 2f$): _____
- b. Total Electricity Consumption: _____
- c. Electricity from Nuclear Sources: _____
- d. Waste Heat / Energy Recovery (fossil-based): _____
- e. Co-generation (fossil-based): _____
- f. Electricity purchased from distribution licensee: _____

Section C – Renewable Electricity Consumption (MU)

3. a. Adjusted Renewable Electricity Consumption ($= 3b + 3c$): _____
- b. Net Renewable Electricity from Grid-connected Captive/Open Access/Behind the meter installations: _____
- c. Renewable Electricity purchased from distribution licensee (with green attributes): _____

Section D – RCO Compliance Summary

4. RECs / Buyouts (if any) (MU):
 - a. RECs Purchased: _____
 - b. RECs Self-retained: _____
 - c. Buyouts Purchased: _____
5. RCO Targets as Specified by MoP:
 - a. Total: _____ MU; _____ %
6. RCO Compliance Achieved:
 - a. Total: _____ MU; _____ % ($= 3a / 2a \times 100$)
7. Surplus / Deficit ($= 6a - 5a$): _____ MU; _____ %

Undertaking

I/We hereby declare that the information provided above is true and accurate.

Signature & Seal of Energy Manager / Plant Head: _____

Signature, Number & Seal of Energy Auditor: _____