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Orient Green sells 18,500 RECs worth Rs 5.6 cr

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Chennai, Feb. 29

NSE-listed Orient Green Power Ltd today sold 18,500 'renewable energy certificates' worth Rs 5.6 crore on the Indian Energy Exchange Ltd, it is learnt.

The company, which has about 180 MW of wind power and 40 MW of biomass assets, sold around 6,000 RECs in January for around Rs 2 crore.

RECs are generation-based 'certificates' awarded (electronically, in demat form) to those who generate electricity from renewable sources such as wind, biomass, hydro and solar, if they opt not to sell the electricity at a preferentially higher tariff.

These certificates are

trade-able on the exchanges and are bought by 'obligated entities', who are either specified consumers or electricity distribution companies.

These obligated entities may be required to purchase a certain quantum of either green power or RECs.

Trading in RECs happen on the last Wednesday of each month.

Sources in REC consultancy circles told *Business Line* today that Orient Green will generate another 20,000 RECs in March, worth a little over Rs 6 crore.

The company will, therefore, earn around Rs 14 crore from REC trading alone.

This would come as a major succour to Orient Green which has so far made a loss

of Rs 22 crore in the current financial year.

The company made a profit in the first two quarters, but ended the third with a Rs 33-crore loss because of a bunch of problems.

Due to non-payment of dues to it by the Tamil Nadu Generation and Distribution Company (TANGED), Orient Green's interest costs rose to Rs 29 crore in the third quarter.

In addition, the biomass plan had to be shut for a while.

There was also a drop in wind in October.

On the NSE today, the company's share price ended at Rs 13.35, up 38 paise over the previous close.

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