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**ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION, HYDERABAD**

Lr. No. APERC/Secy/F.No. S-19(Vol-III)/D.No.1006.

Date:02-05-2024

“Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024”.

Regulation No. 3 of 2024

Preamble:

The Government of India (GoI) has set an ambitious target of achieving carbon neutrality by the year 2070. In pursuit of this goal, the GoI has established a target to install a Renewable Energy (RE) capacity of 500 GW by 2030. To facilitate and promote the adoption of renewable energy sources, the Ministry of Power (MoP) has issued the Electricity (Promotion of Renewable Energy Through Green Energy Open Access) Rules in 2022. These rules aim to provide regulatory clarity and simplify the process of granting Open Access to both renewable energy generators and consumers.

As per section 181 (1) of the Electricity Act, 2003, the State Commissions may, by notification, make Regulations consistent with the Act and the Rules generally to carry out the provisions of the Act. Therefore, in the interest of promoting the growth of Renewable Energy within the state of Andhra Pradesh, fostering regulatory certainty, and streamlining the Open Access process for RE generators and consumers, fulfilling the objective of the

Electricity Act, 2003 for the promotion of efficient and environmentally benign policies, and in the interest of ensuring a better environment for the public at large, in exercise of its powers conferred under Section 86(1)(e) of the Electricity Act, 2003, which envisages promotion of co-generation and generation of electricity from renewable sources of energy, by providing suitable measures for connectivity with the grid and sale of electricity to any person and read with Sections 181, 39(2)(d), 40(c), 42(2, 3), 86(1)(c) of the Electricity Act, 2003, and all other powers enabling in this behalf, after considering all the objections in this regard as detailed in Order dated 01.05.2024, the Commission has framed the following Regulation.

1. **Short title, commencement, and extent of application:**

- i. This Regulation shall be called the Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024.
- ii. This Regulation shall come into force from the date of its publication in the Andhra Pradesh State's Gazette.
- iii. This Regulation shall extend to the whole State of Andhra Pradesh
- iv. This Regulation shall be applicable for allowing Open Access to electricity generated from Renewable Energy Sources, for use of Intra-State Transmission System/s (InSTS) and/or distribution system/s of licensee/s in the State, including such Intra-State Transmission and/or distribution system/s, which are incidental to Inter-State Transmission of electricity.
- v. This Regulation supersedes all the earlier Regulations/Stipulations/Guidelines/Directions issued by the Commission in the matter of Open Access to Green Energy.

2. **Definitions :**

(1) In this Regulation, unless the context otherwise, requires:

- a. **“Act”** means the Electricity Act, 2003 (36 of 2003);
- b. **“Banking”** means a facility through which the unutilized portion of energy (under utilisation by the consumer or excess generation over and above the schedule by the generator) from any of the Green Energy Sources during a billing month is kept in a separate account and such energy accrued shall be treated in accordance with the conditions laid down in this Regulation;
- c. **“Central Nodal Agency”** means the nodal agency as specified by the Government of India as per the rules;
- d. **“CERC”** means the Central Electricity Regulatory Commission;

- e. **“Commission”** means the Andhra Pradesh Electricity Regulatory Commission;
- f. **“Entity”** means any consumer who has contracted demand or sanctioned load of hundred kW or more either through a single connection or through multiple connections aggregating to a hundred kW or more located in the same electricity division of a distribution licensee, except for captive consumers:

Provided that in the case of captive consumers, there shall not be any load limitation;

Provided further that the entity may be without a supply agreement with the DISCOMS.

- g. **“Forum of Regulators (FOR)”** means the forum as referred to in sub-section (2) of section 166 of the Act;
- h. **“Fossil Fuel”** means fuels such as coal, lignite, gas, liquid fuel or a combination of these as its primary source of energy, which are used in generating stations for generating electricity;
- i. **“Green Energy”** means the electrical energy from renewable sources of energy;
- j. **“Obligated Entity”** means the entities mandated to fulfil Renewable Power Purchase Obligation, which includes distribution licensee, captive users, and open access consumers, as specified under Andhra Pradesh Electricity Regulatory Commission Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulation, 2022, as amended from time to time;
- k. **“Open Access”** means the non-discriminatory provision for the use of transmission lines or distribution systems or associated facilities with such lines or systems by any licensee or consumer or a person engaged in generation in accordance with the Regulations issued by the Andhra Pradesh Electricity Regulatory Commission;
- l. **“Reform Act”** means the Andhra Pradesh Electricity Reform Act, 1998;
- m. **“Renewable Sources of Energy”** means renewable sources of energy such as small hydro, wind, solar, biomass, biofuel, cogeneration (including bagasse-based cogeneration), municipal solid waste, RE Hybrid, hydro, storage (if the storage uses renewable energy) and such other sources/mechanism as recognised and approved by the GoI or State Government;
- n. **“Rules”** shall mean the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 as may be amended from time to time;

- o. **“SLDC”** means the State Load Dispatch Centre established under sub-section (1) of section 31 of the Act;
 - p. **“Standby Charges”** means the charges applicable to green energy open access consumers towards the standby arrangement provided by the distribution licensee, in case such green energy open access consumers are unable to procure/schedule power from the generating sources with whom they have the agreements to procure power due to outages of the generator, transmission systems and the like;
 - q. **“State Grid Code”** shall mean the Grid Code issued by the Andhra Pradesh Electricity Regulatory Commission for the State of Andhra Pradesh.
 - r. **“State Transmission Utility”** means the Board or the Government company specified as such by the State Government under sub-section (1) of section 39 of the Act;
 - s. **“State Nodal Agency”** means the nodal agency notified by this Regulation for the purpose of green energy open access.
- (2) Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings assigned to them in the Act. Expressions used herein but not specifically defined in this Regulation or in the Act but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law.

3. **Criteria for allowing GEOA:**

- i. The long-term GEOA shall be allowed in accordance with the transmission planning criteria and distribution planning code stipulated in the State Grid Code.
- ii. The Short-Term/Medium-Term open access shall be allowed, if the request can be accommodated, by utilizing
 - a. Inherent design margins
 - b. Margins available due to variation in power flows and
 - c. Margins available due to in-built spare transmission system capacity and/or distribution system capacity created to cater to future load growth;

Provided that the above criteria is not applicable if open access by any consumer is sought within the CMD with the DISCOMS.

4. **Categorization of Open Access:**

The open-access consumers shall be classified into the following categories based on the duration of use of the intra-state transmission and/or distribution system:

- i. Long-term Open Access consumers- persons availing or intending to avail the open access for a period equal to or more than five years.
- ii. Medium-term Open Access consumers- persons availing or intending to avail the open access for a period of more than one year and less than 5 years.
- iii. Short-term Open Access consumers- persons availing or intending to avail the open access for a period of up to one year.

Provided that the short-term open access consumer shall be eligible & re-eligible to obtain fresh reservation on the filing of application after the expiry of his term and subject to availability. Such eligibility shall be on priority fixed on the basis of the date of application.

5. **Priority over Fossil based plants:**

The Green Energy Open Access Consumers shall be given priority over fossil-based open access consumers in connectivity and open access in general and also in case of system constraints and availability of limited transmission/distribution system capacity while granting approval for connectivity or open access.

6. **Preference and Curtailment Priority:**

Among the GEOA consumers, long-term GEOA consumers shall have preference followed by Medium term and short-term, at any given time.

Provided that, the decision for allowing the open access shall be on the basis of first come first served.

In case of constraints in the transmission system or distribution system, the curtailment priority shall be as follows:

- a. Short-term open-access consumers other than Green Energy Open Access consumers shall be curtailed first followed by short-term Green Energy Open Access consumers. Further, the GE open access consumers under the temporary connection agreement shall be curtailed first followed by permanent connection. Also, bilateral transactions shall be curtailed first followed by collective transactions under the day-ahead market followed by collective transactions under the real-time market.
- b. Medium-open-access consumers other than Green Energy Open Access consumers shall be curtailed first followed by Medium term Green Energy Open Access consumers.

- c. Long-term open-access consumers other than Green Energy Open Access consumers shall be curtailed first followed by Long-term Green Energy Open Access consumers.

7. **Eligibility criteria for Green Energy Open Access:**

Subject to the provisions of this Regulation and system availability, all the entities shall be eligible to take power through Green Energy Open Access for third-party sale or captive use from any Green energy generator.

Provided that such entities or generators, having been declared insolvent or bankrupt or having undisputed outstanding dues against them for more than two months billing of the distribution/transmission licensee or having a case of undisputed unauthorized use of electricity/theft of electricity pending against them at the time of application, shall not be eligible for open access.

Provided further that any entity/generator which is revived through the Resolution process of NCLT or any other law would also be eligible for open access.

8. **Nodal Agency, the procedure for granting green energy open access:**

- (1) Andhra Pradesh State Load Despatch Centre (APSLDC) shall operate as the State Nodal Agency (SNA) for short-term green energy open access.
- (2) The State Transmission Utility (STU) shall operate as the State Nodal Agency (SNA) for the grant of long-term and medium-term term green energy open access.
- (3) All the applications related to green energy open access shall be submitted directly to the respective State Nodal Agencies or through the single window portal set up by the Central Nodal Agency as per the Green Energy Open Access Rules.
- (4) The applications received directly or through the Central Nodal Agency by the State Nodal Agency (SNA) shall be processed as per the procedures and formats devised by SNAs. The SNAs shall develop detailed procedures, and timelines for green energy open access and submit the same to the Commission within 30 days from the date of notification of this Regulation in the Gazette. The procedures and the timelines shall be devised to the extent possible in consonance with the procedures notified by the central agency, and the Green Energy Open Access Rules. However, the existing procedures under Open Access Regulation 2005 of APERC in the interim shall be followed in granting GEOA till the Commission finalises the specific procedures and timelines for GEOA. Further, the timelines in the procedures notified by the central agency, and the Green Energy Open Access Rules would prevail over the timelines specified in Regulation 2005 of APERC. The procedure specified for LTOA may also be followed for MTOA.

- (5) The SNAs shall coordinate with all other utilities concerned to make available all relevant information regarding green energy open access to the public on the portal of the Central Nodal Agency.

9. **Connectivity, and Energy Settlements:**

The connectivity for all new green energy generators shall be granted as per the provisions of APERC Regulation on Power Evacuation from Captive Generation Co-generation and RE Source Power Plants (Regulation 3 of 2017). The Energy Settlements of all the intra-state Green Energy Open Access of Generators/Consumers shall be done as per Regulation 2 of 2006 and its amendments from time to time. All the GEOA generators' energy shall be settled in 15 minutes block-wise based on the day ahead schedule. Wherever, the capacities are small and difficult to implement the 15-minute block-wise schedule, in all such cases the actual generation from the Green Energy Generator during the month shall be deemed as Scheduled Energy. For the purpose of settlement in respect of scheduled/QA consumers availing supply from these OA GE Generators, the actual generation during the month will be apportioned for each time block of the month if ToD billing is applicable for consumers and deviations reckoned accordingly. If ToD billing is not applicable, the actual generation from the Green Energy Generator during the month shall be deemed as Scheduled Energy and the same shall be accounted for settlement of energy with such consumers. However, in all cases, the banking shall be done as per this Regulation. The Energy settlements of intra-state RE generators for interstate transactions shall be done as per CERC Regulations. The Deviations of intra-state Wind and Solar Generators' schedules for interstate transactions shall be settled as per CERC DSM Regulations, 2022 till the Commission issues a comprehensive Regulation in this regard.

10. **Treatment for existing entities:**

The existing consumer(s)/generators shall continue to avail the open access as per the existing agreements or government policy for the period specified in those agreements or policies, to the extent they are not inconsistent with the Act.

Provided that the existing consumers/generators shall continue to pay the applicable charges as specified in their respective agreements.

Provided that Green Energy open access for the period after the expiry of the existing agreement period in respect of such consumer/generator shall be governed by the provisions of this Regulation.

Provided further that the existing OA consumer(s) may avail any additional power through Green Energy Open Access under the present Regulation.

11. **Metering:** Metering shall be done in accordance with provisions of CEA (Installation and Operation of Meters) Regulations 2006 as amended from time to time. Further, the practice directions and the Regulations issued by this Commission in accordance with the metering Regulations of CEA shall also be complied with. Until the Commission issues practice directions on open-access consumer metering, the GEOA may be granted with the existing meters for consumers.
12. **Charges to be levied for Green Energy Open Access:**
 - a) **Transmission charges:** Transmission charges as applicable, and determined by the Commission in Multi-Year Tariff Orders for the relevant period in accordance with APERC (Terms and Conditions for Determination of Transmission Tariff) Regulation, 2005 and its amendments from time to time shall be paid by the GEOA consumers.
 - b) **Wheeling charges:** Wheeling charges as applicable, and determined by the Commission in Multi-Year Tariff Orders for the relevant period in accordance with APERC (Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 and its amendments from time to time shall be paid by the GEOA consumers.
 - c) **Cross subsidy Surcharge** as applicable, and determined by the Commission in Retail Supply Tariff Order from time to time or any other order of the Commission shall be paid by the GEOA consumers.
 - d) **Standby charges wherever applicable:** The Standby Charges shall be 120% of the normal tariff (for both demand and energy) of the consumer category without any penalty for exceeding the CMD when there is no notice from the parties concerned. MD charges shall be based on the RMD recorded in the meter for exceeding over the CMD and the charges for the energy are based on the energy corresponding to the open access demand. If there is any notice to the DISCOMS from the parties concerned on this aspect if such period of standby arrangement exceeds 72 hours or more from the time of notice, the Standby Charges shall be 120% of the normal tariff on energy or the maximum tariff of energy purchased from the exchanges/market (during the standby period), whichever is higher is applicable and whereas the charges within 72 hours from the notice shall be limited to only 120 percent of the normal tariff on energy. Further, the LC is not applicable, if the GEOA consumers do not opt for a standby arrangement with

the DISCOMS. Wherever standby arrangement is requested, the LC for three days of the open access consumption may be obtained.

- e) Banking charges wherever applicable: As specified in this Regulation.
- f) SLDC fees and Charges: As determined by the Commission in accordance with APERC (Levy and Collection of Fees and Charges by State Load Despatch Centre) Regulation, 2006 from time to time.
- g) Scheduling and Deviation settlement charges: Till the Commission issues a comprehensive Regulation on Deviation settlement, the charges shall be collected as per the CERC DSM Regulations, 2022 and its amendments from time to time.
- h) Reactive Energy Charges: The Generators availing of Green Energy Open Access shall pay for the reactive energy in accordance with provisions of the State Grid Code notified by the Commission. If the Commission has not specified rates in the State Grid Code, the rates specified in CERC Regulations/Orders shall be applicable.
- i) Losses between entry and exit points of open access: Losses as applicable as per the Orders/Regulations of the Commission.
- j) The processing fee for Green Energy Open Access under Long-term, Medium-term and short-term shall be Rs.1,50,000, Rs.1,00,000 and Rs.50,000 respectively.
- k) In addition to the above, any Other Charge may be levied as decided by the Commission.

13. **CROSS SUBSIDY SURCHARGE AND ADDITIONAL SURCHARGE:**

Cross Subsidy Surcharge, and Additional Surcharge: The Cross Subsidy Surcharge, and Additional Surcharge shall be determined as per the provisions of the Electricity Act, 2003 and the National Tariff Policy notified by the Central Government under the Act.

Provided that cross subsidy surcharge and additional surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use. The captive status of the consumer shall be determined based on the Electricity Rules notified by the Government of India.

Provided also that cross subsidy surcharge and additional surcharge shall not be applicable in case power produced from a non-fossil fuel-based Waste-to-Energy

plant is supplied to the Open Access Consumer.

Provided also that an additional surcharge shall not be applicable in case electricity is produced from offshore wind projects, which are commissioned up to December 2032 and supplied to the Consumers under open access.

Provided also that Cross subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for the production of green hydrogen and green ammonia.

14. **Banking:** Banking facility shall be provided to the consumers availing Green Energy Open Access which shall be subject to the following conditions.

(1) The Banking shall be on a monthly billing cycle basis. Each calendar month shall be treated as one billing cycle. The banked energy shall be utilized within the same billing cycle. The unutilized energy at the end of the billing cycle shall be paid at the rate of 75% of the last discovered SECI tender rate for the given RE source as notified by APERC every year and the benefit of RPO shall be given to the distribution licensee for the corresponding unutilized banked energy.

(2) The Banking charges in kind shall be 8% of the energy banked at the consumer end. If Transmission/Wheeling Charges and Losses have been levied on the full quantum to determine transmitted/wheeled energy, then no further wheeling charges and losses shall be levied on banked energy during drawl.

(3) The Green Energy Open Access consumers shall be permitted to bank up to a maximum of thirty percent of their total monthly consumption of electricity from the green energy source in a banking cycle.

(4) The banking and drawal shall be allowed throughout the billing cycle. The credit for energy banked shall be adjusted during the same banking cycles as per the energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its RST Orders. The energy banked during peak TOD slots shall be permitted to be drawn during peak as well as off-peak TOD slots. However, the energy banked during off-peak TOD slots shall be permitted to be drawn during off-peak TOD slots only.

Provided that the drawal of banked energy during the peak load hours as mentioned in the ToD approved by the Commission in the Retail Supply Tariff Orders shall not be permitted if R&C measures are in force.

(5) Settlement of open-access energy at the consumer end shall be in the following order of priority:

- a) Open Access Power through Exchange / Bi-lateral transactions
- b) Captive Power/Third party (Non RE)
- c) RE generation after deduction of losses.
- d) Banked Energy
- e) DISCOM's power

Settlement of open-access energy for the Generator shall be in the following order of priority:

- a) Open Access Power through Exchange / Bi-lateral transactions
- b) Open Access Power through intrastate consumer transactions

(6) The energy accounts of all banking transactions shall be maintained by SLDC. Model illustrations of energy settlements, Banking methodology, Banking Charges and banking settlement for different scenarios shall be placed on its website for easy understanding by various stakeholders.

15. **Green certificates & RECs:** The distribution licensee shall provide a green certificate on a yearly basis to the consumers who purchased the green energy from them as per the APERC Renewable Power Purchase Obligation (Compliance by the purchase of Renewable Energy/Renewable Energy Certificates) Regulation, 2022 and its amendments from time to time. The obligated entities may be issued RECs if their purchases from the RE sources other than from the DISCOMS exceed the RPO specified by this Commission as per the CERC REC Regulations 2022 duly following the stipulated Procedure.

16. **Collection and Disbursement of Charges:**

The procedure stipulated in APERC Regulation 2 of 2005 shall be followed for the collection and disbursement of charges as per this Regulation from/to GEOA consumers

17. **Dispute Resolution:**

No application for open access shall be denied unless the applicant has been given an opportunity of being heard in the matter.

All disputes and complaints shall be referred to the Nodal Agency for resolution.

Provided that when the Nodal Agency is itself a party to the dispute, the dispute shall be referred for resolution to the Consumer Grievances Redressal Forum (CGRF).

Provided further that in case of open access of power from the generating plants, the dispute shall be adjudicated upon by the Commission.

18. **Power to Relax.:** The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may suo moto relax any of the provisions of this Regulation or on an application made before it by an interested person.
19. **Issue of orders or directions:** Subject to the provisions of the Act and this Regulation, the Commission may, from time to time, issue orders and procedural directions with regard to the implementation of this Regulation and specify the procedure to be followed on various matters, which the Commission has been empowered by the Regulations to direct and matters incidental thereto.
20. **Power to amend and review:** The Commission may, at any time, add, vary, modify amend, or review any of the provisions of this Regulation.
21. **Power to remove difficulties:** If any difficulty arises in giving effect to any of the provisions of this Regulation, the Commission may, by general or special order, make such provisions, which in the opinion of the Commission are necessary or expedient to do so.
22. **Savings:**
- Notwithstanding superseding of all the Regulations/Stipulations/Guidelines/ Directions of the Commission on Green Energy Open Access, anything done or any action taken or purported to have been done or taken under the said Regulations/Stipulations/Guidelines/Directions, in so far as it is not inconsistent with the provisions of the Act or rules and Regulations made thereunder, have been saved.
 - Nothing in this Regulation shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of the process of the Commission.
 - Nothing in this Regulation shall bar the Commission from adopting a procedure at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient in order to deal with such a matter or class of matters.

(BY ORDER OF THE COMMISSION)

Place: Hyderabad
Date: 01.05.2024

P. KRISHNA
Commission Secretary (t/c)