

**(Draft Regulation)**

## **Andhra Pradesh Electricity Regulatory Commission**

**“Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking ) Regulation, 2023”.**

**Regulation ----- of 2023**

### **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 500GW 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, the Commission has formulated the following draft Regulation

### **CHAPTER 1**

#### **PRELIMINARY**

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, 2023.

- ii. This Regulation shall come into force on the date the Commission approves the procedures and timelines for granting Green Energy Open Access as per this Regulation.
- 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 or excess generation over and above the schedule ) from any of the three renewable sources of energy viz Wind, Solar and Mini Hydel 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;
- 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 including hydro and storage (if the storage uses renewable energy) or any other

technology as may be notified by the Government of India from time to time and shall also include any mechanism that utilizes green energy to replace fossil fuels including production of green hydrogen or green ammonia as may be determined by the Central Government.

- 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 and such other sources as recognised and approved by the MNRE or State Government;
- n. **“Rules”** shall mean the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022;
- 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 consumer is 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;

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 one year or less.

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

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