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**THE ANDHRA PRADESH GAZETTE**

PART – I EXTRAORDINARY  
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**NOTIFICATIONS BY GOVERNMENT**

**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

**Regulation No.2 of 2016**

Amendment to the Andhra Pradesh Electricity Regulatory Commission  
(Interim Balancing and Settlement Code) Regulation, 2006 (Regulation No.2 of 2006)

**Preamble**

The Andhra Pradesh Electricity Regulatory Commission (hereinafter referred to as the Commission) has issued and notified the Andhra Pradesh Electricity Regulatory Commission (Interim Balancing and Settlement Code) Regulation, 2006 (Regulation No.2 of 2006) in A.P. Extra Ordinary Gazette on 11-08-2006.

The said Principal Regulation No.2 of 2006 contained the guidelines to the Licensees and intra-state Open Access users in the State of Andhra Pradesh, in the matters of scheduling of Open Access transactions, meter readings, energy accounting & settlements at entry points & exit points, banking conditions for Mini-Hydel and Wind Power Projects etc. This Regulation No.2 of 2006 was first amended vide Regulation No.1 of 2013 and notified on 02-05-2013 and secondly vide Regulation No. 2 of 2014 notified on 01-04-2014, to be in line with the Solar Power Policy issued vide G.O.Ms.No.39, dated 26-09-2012 and amendment to it vide G.O.Ms.No.44, dated 16-11-2012.

Whereas the Government of Andhra Pradesh has issued the new Solar Power Policy, 2015 and new Wind Power Policy, 2015 vide G.O.Ms.No.8, dated 12-02-2015 and G.O.Ms.No.9, dated 13-02-2015 superseding the earlier Solar Power Policy, 2012 and

Wind Power Policy, 2008 *inter alia*, to meet the twin objectives of energy security and clean energy development.

And whereas the Government of Andhra Pradesh vide its letter No.348/ Power.II(2) / 2015, dated 09-03-2015, citing the provisions of Section 108 of the Electricity Act, 2003 requested the Andhra Pradesh Electricity Regulatory Commission to adopt and issue necessary Regulations / Orders for giving effect to the Andhra Pradesh Solar Power Policy, 2015 and the Andhra Pradesh Wind Power Policy, 2015.

Among other things, the above policies provide certain incentives in respect of the following items / parameters (which come under the purview of the Commission and require amendments to the existing Regulations) to the Solar and Wind Power Projects commissioned during the operative periods of the policies *viz.*, from 12-02-2015 to 11-02-2020 in respect of Solar Power Projects and from 13-02-2015 to 12-02-2020 in respect of Wind Power Projects in the State of Andhra Pradesh.

(A) Energy Banking

Para 4(c) of Solar Power policy, 2015 and Para 8(c) of Wind Power Policy, 2015

“Energy injected into the grid from date of synchronization to Commercial Operation Date (COD) will be considered as deemed energy banking.”

“The unutilized banked energy shall be considered as deemed purchase by DISCOM(s) at the pooled power purchase cost as determined by the APERC for the applicable year. Energy settlement shall be done on monthly basis.”

(B) Contract Demand

Para 4(g) of Solar Power Policy, 2015

“Scheduled consumers shall avail reduction in Contract Demand for a period of Five (5) years from the date of commissioning of the project. Scheduled consumers shall have the same meaning as defined in the Balancing and Settlement Code regulations issued by APERC and amended from time to time. The demand credit shall be computed based on the average solar power consumption during hourly time block period(s). An illustration is shown below:

- \* Solar Power Consumption in a month (kVAh) = 1000
- \* Hourly time blocks in a month (hours) = 24 x 30 = 720
- \* Applicable demand credit = 1000/720 = 1.38 (kw)."

Accordingly, the Commission has published Draft Regulation on its website on 27- 08-2015 and invited comments / views / suggestions from all the stake- holders / interested parties. The Commission has also conducted public hearing on 19-12-2015.

During the public hearing and also through written views submitted to the Commission, there were several requests from both the Solar and Wind power developers and the Government of Andhra Pradesh to make the new Regulation applicable from the dates of issue of the Solar and Wind Power Policies by the Government of Andhra Pradesh.

Having regard to the views/suggestions/comments received and the request made by the Government of Andhra Pradesh, in exercise of powers vested with it under Section 181 (1) read with Sections 39 (2) (d) (ii), 40 (c) (ii), 42 (2), 42 (3), 42 (4) and 86 (1) (e) of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling in this behalf including those conferred by the Andhra Pradesh Reform Act, 1998 (State Act 30 of 1998) and the Andhra Pradesh Reorganization Act, 2014 (Central Act 6 of 2014), the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Amendments to the Principal Regulation viz., Andhra Pradesh Electricity Regulatory Commission Regulation (Interim Balancing and Settlement Code) Regulation, 2006 (Regulation No.2 of 2006).

**1. Short title, Commencement and Interpretation:**

- (I) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Interim Balancing and Settlement Code) (Third Amendment) Regulation, 2016.
- (II) This Regulation shall be deemed to have come into force with effect from 12-02-2015 in respect of Solar Power Projects commissioned during the operative period of the Andhra Pradesh Solar Power Policy, 2015 viz., from 12-02-2015 to 11-02-2020 and from 13-02-2015 in respect of Wind Power Projects commissioned during the operative period of the Andhra Pradesh Wind Power Policy, 2015 viz., from 13-02-2015 to 12-02-2020 in the State of Andhra Pradesh.

**2. (i) The following Para shall be added as 8.5 after 8.4.**

The Scheduled consumers sourcing power from such Solar Power Projects as mentioned in the Andhra Pradesh Solar Power Policy, 2015 issued vide G.O.Ms.No.8, dated 12-02-2015 shall be entitled to avail reduction in contracted demand with Discom for a period of five (5) years from the date of commissioning of such projects. The reduction in contracted demand shall be computed based on the average Solar Power consumption during hourly time block period (s) in a billing month i.e., total solar power consumption (kVAh) in a billing month divided by the number of hours in the billing month.

**(ii) The Appendix-3 in the Principal Regulation is hereby substituted as follows:**

**Appendix-3**

**Terms & conditions for banking facility allowed to Wind / Solar / Mini-Hydel power generators:**

- 1) Banking allowed during all the 12 months.
- 2) The energy injected in to the grid from such Solar and Wind Power Projects as mentioned in G.O.Ms.No.8, dated 12-02-2015 and G.O.Ms.No.9, dated 13-02-2015 from the date of synchronization to the Commercial Operation Date shall be considered as deemed banked energy.
- 3) Drawals are subject to the following conditions:
  - a) The Banking year shall be from the 1<sup>st</sup> day of April to 31<sup>st</sup> day of March of the succeeding year (i.e. Financial Year).
  - b) Banking charges shall be in kind @ 2% of the energy delivered at the point of drawl.
  - c) Drawals from banked energy shall not be permitted during the five (5) month period from 1<sup>st</sup> April to 30<sup>th</sup> June and 1<sup>st</sup> February to 31<sup>st</sup> March of each financial year. In addition, Drawal of banked energy during the Time of the Day (TOD) applicable during peak hours, as specified in the respective Retail Supply Tariff Order, shall also not be permitted throughout the year.
  - d) The energy banked between the period from 1<sup>st</sup> April to end of 31<sup>st</sup> January of each financial year which remains unutilized as on 31<sup>st</sup> January, shall be deemed to have been purchased by DISCOMs as per the wheeling schedule. The energy credited in to bank during the month of February and March of each financial year will be carried forward to the month of April of the next financial year for the credit of the banking account for the next year.
  - e) Generators have to communicate time block wise banked energy withdrawal schedule and allocations to respective Open Access/Scheduled consumers at least ten (10) days before the commencement of billing cycle.

- f) The purchase price payable by the Discoms for unutilized banked energy will be equivalent to 50% of the Pooled Cost of Power Purchase, applicable for that financial year, as determined by the Commission under RPPO / REC Regulation (1 of 2012). Discoms shall settle such purchase transactions with the generators by 31<sup>st</sup> March of each year.

*Provided the unutilized banked energy from such Solar and Wind Power Projects and for such operative periods as mentioned in G.O.Ms.No.8, dated 12-02-2015 and G.O.Ms.No.9, dated 13-02-2015 shall be considered as deemed purchase by Discom(s) at the Pooled Power Purchase cost, applicable for that financial year, as determined by the Commission under RPPO/REC Regulation (Regulation No.1 of 2012). Discom(s) shall settle such purchase transactions with the generators by 31<sup>st</sup> March of each year.*

**(BY ORDER OF THE COMMISSION)**

Dr.A.Srinivas  
Commission Secretary (i/c)