



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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"DRAFT"

Regulation No.xx of 2014

Second Amendment to the Interim Balancing and Settlement Code for Open Access Transactions

Introduction

Whereas the A.P. Electricity Regulatory Commission (hereinafter referred to as "the Commission") notified the Andhra Pradesh Electricity Regulatory Commission (Interim Balancing and Settlement Code) Regulation, 2006 (No.2 of 2006) in A.P. Extraordinary Gazette dated 11th August, 2006.

The said Principal Regulation contained the guidelines to the licensees & intra State Open Access Users in the State of Andhra Pradesh, in the matters of Scheduling of O.A. transactions, meter readings, energy accounting & settlements at entry point & exit points, banking conditions for Mini-hydel & Wind generators etc.

And whereas the Government of Andhra Pradesh has issued Solar Power Policy - 2012, vide GO Ms No.39, dated 26-09-2012 and amendment to it vide GO Ms No.44 Dt.16-11-2012, inter-alia to promote generation of Solar Power in the state. The objective of the said solar policy is to encourage, develop and promote solar power generation in the state with a view to meet the growing demand for power, in an environmentally and economically sustainable manner.

Vide the amendment Regulation No.1 of 2013 notified on 02-05-2013, to the APERC Interim Balancing & Settlement Code for Open Access Transactions Regulation (No.2 of 2006), the Commission has included Solar energy as one of the sources of renewable energy.

The Solar policy issued by the GoAP vide GO Ms.No.39 & GO Ms. No.44 as stated above, inter alia, envisages a more conducive environment for Solar developers, which requires necessary amendments to the principal regulation.

Accordingly, Commission initiated a public consultation process, to take a view as to the extent to which the GoAP policy requires integration with the existing APERC regulations, and identify the necessary amendments required.

The Consultation paper was published on 31-12-2013 and Commission has received twenty responses from various stakeholders.

Having due regard to the suggestions/comments received, in exercise of the powers vested with it under section 181 of the Electricity Act, 2003 read with section 42(2) and section 66 and all other enabling powers, the Commission makes the following Amendment Regulation to the Principal Regulation No.2 of 2006, namely:

1. **Short title, commencement and interpretation**
 - (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Interim Balancing & Settlement Code) Second Amendment Regulation, 2014.
 - (ii) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette and will have prospective effect only.

2. **Inclusion of a definition for “Banking”**

The following definition is included below the clause 2(c) of the principal regulation

(c2) “**Banking**” means a facility through which the unutilized portion of energy (under utilization or excess generation over and above scheduled wheeling) from any of the three renewable generation sources namely 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 Appendix-3 of the Regulation.”

3. **Amendment to Clause 10.3 of principal regulation.**

Following proviso is added below the Clause 10.3 of principal regulation.
Provided that, such under draws shall be treated as input into Banking in accordance with clause 2(c2), if such energy is allocated from Renewable Sources such as (Wind, Solar and Mini-hydel).”

3. **Amendment to Appendix-3 in the principal regulation (Regulation 2 of 2006).**

Appendix-3 in the principal Regulation is hereby substituted as under:

APPENDIX - 3

Terms & Conditions for banking facility allowed to Wind, Solar and Mini-hydel Power Generators

1. Banking allowed during all the 12 months.
2. Draws are subjected to the following conditions:
 - a. The Banking year shall be from January to December.
 - b. Banking charges shall be in kind @ 2% of the energy delivered at the point of injection.
 - c. Draws from banked energy shall not be permitted during the 5-month period from 1st February to 30th June of each year. Drawal of banked energy during the Time of the Day (TOD) hours, as specified in the respective Retail Supply Tariff Order, shall also not be permitted through out the year.
 - d. The energy banked between the period from 1st January to 30th November each year which remains unutilized as on 31st December, shall be purchased by the Discoms, as per the wheeling schedule. The energy credited into bank during the month of December each year will be carried forward to the month of January of the next year for the credit of the banking account for the next year.

- e. The purchase price payable by the Discoms for unutilized banked energy will be equivalent to 50% of the Pooled Cost of Power Purchase, applicable as on 31st December of that financial year, as determined by the Commission under RPPO/REC Regulation (No.1 of 2012). Discoms shall settle such purchase transactions with the generators by 31st January of next year.
- f. The quantum of purchase of lapsed energy by the Discoms shall be eligible for meeting the required Renewable Power Purchase Obligation (RPPO) as specified by the Commission.

(BY ORDER OF THE COMMISSION)

Place: Hyderabad
Date: 25-02-2014

M.D.Manohar Raju
SECRETARY