



From:

To:

The Chief General Manager,
RA&PP, APEPDCL,
Corporate Office,
P&T Colony, Seethammadhara,
Visakhapatnam-530 013.

The Commission Secretary,
#11-4-660, 4th Floor,
APERC, Singareni Bhavan,
Red Hills, Lakadikapul,
Hyderabad – 500 004.

Lr.No.CGM/RA&PP/APEPDCL/VSP/EBC/DNo. I/505487/2023, dt.31.10.2023.

Sir,

Sub:- APEPDCL/VSP – Certain Comments to the draft APERC (Green Energy Open access, Charges and Banking) Regulations, 2023 – Requested - Regarding

- Ref:- 1. APERC public notice Dt:30.09.2023
 2. Lr No. CGM/RA&PP/APEPDCL/VSP/EBC/D.No.98/23 Dt:21.10.2023
 3. Mail received from Hon'ble commission dt:25.10.2023

In response to the reference cited, the comments of APEPDCL on draft APERC (Green Energy Open access, Charges and Banking) Regulations, 2023 is submitted as follows.

Clause- No.	Brief	APEPCL Comments/Suggestions
2 (f)	<p>Definition of Entity... Load Limit, allowing Multiple connections to qualify for GEOA...</p> <p>Provision on no Load Limit for Captive Consumers.</p>	<p>The provision of draft Green Energy Open Access (GEOA) especially for consumers with sanctioned loads of 100 kW and even for multiple connections aggregating to 100 kW will have substantial impact on operations of distribution network based on technical and practical constraints. 100 KW is just marginally above the threshold limit or cross over point of LT to HT Supply as per Retail Supply business.</p> <p>Presently the load limit for allowing Open Access is 1MW. OA transactions are getting streamlined as of now, if Load limit is reduced by 10 times in the existing circumstances, it would exert lot of constraints in the distribution system which the licensees may not be able to manage.</p> <p>In view of the above, it is requested to limit the minimum load to be eligible to get GEOA as 500 KW. Once the technical constraints are eased out and required procedures and systems are put in place, the Commission may consider reducing this minimum limit of contracted load.</p> <p>Further, it is to submit that allowing multiple connections in the name of the same entity within a division aggregating to a minimum load limit is not possible to operate practically. The individual connections could be even of a smaller capacities of sub-1 MW consumer also needs to be given permission to avail GEOA.</p>

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		<p>This pose lot of threats in terms of energy accounting, settlements, technical constraints in Metering & Billing and implementing energy banking procedures. Hence GEOA to multiple connections aggregating to a certain load limit shall not be allowed.</p> <p>Removal of Load limit in case of captive consumption shall not be allowed since, even small capacity i.e. below 1 KW individual consumers also get qualified for GEOA, which is impossible to operate and may cause chaotic situation in the network by imposing unmanageable technical constraints. Allowing OA to an entity with multiple connections should be avoided.</p> <p>Further installation of RE power plants under captive mode should be restricted up to the contract demand of the obligated entities so that the existing infrastructure don't get overburdened. If GEOA to be allowed for more than the CMD with DISCOM, necessary System strengthening/ improvement charges (Service Line Charges and Development Charges) shall be payable by the Consumer.</p>
2 (f)	Request for New definition – User	User of GEOA may please be defined as in similar lines of other Regulations. User may be a Generator, Consumer or a Trader as the case may be.
9 Energy settlements of all Intra-state Green Energy Open Access generators/Consumers shall be done as per regulation 2 of 2006 and its amendments from time to time.-----	<p>As per this clause, it is understood that settlements of Green OA transactions of all existing & upcoming users are to be done as per the prevailing regulations. This is expected to result in overlapping of settlement procedures between Interim Balancing & Settlement Code (IBSC) Regulation 2 of 2006 and its amendments (Prevailing Regulations) and Green Energy Open Access Regulations (New Regulation), particularly in the process of treatment and settlement of Banked Energy.</p> <p>The proposed regulation is progressive in the sense, it transfers the ownership of unutilized energy to the respective Consumer, instead of entitling it to the Generator as in the case of previous mechanism. Till date, the banking allocation is being given by the OA generator to the respective consumers. Now as per the draft regulation, the unutilized portion of energy which is being allocated by the generator but not consumed by the respective consumer will be kept as banking under consumer account. Hence it seems that the banking authority / ownership is being transferred from generator to Consumer end.</p> <p>Further, there are some modifications in terms of accrual of energy to bank account, process of utilization of Banked energy, Banking charges, treatment of unutilized banked energy etc.</p>

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10	Treatment of existing entities	<p>APEPDCL opine that, the existing OA Agreements involving Green Energy, shall need to be migrated and aligned to the new GEOA regulation, once it comes into force. However, any kind of incentives accorded in different GoAP policies shall be continued to be extended to the Consumers as envisaged in such policies, subject to approval of the Hon'ble Commission.</p> <p>It is requested that, as far as Green Energy Open Access Transactions are concerned, the Energy settlements shall be carried out as per the new GEOA Regulation.</p>
12 (d)	Stand by Charges	<p>The incumbent DISCOM is required to provide Stand by Support to the GEOA Consumers and the charges for such support is mentioned as 125% of prevailing category tariff charges.</p> <p>APEPDCL opine that, this compensation is not sufficient as Stand By support to GEOA consumers is required in exigency conditions when their Generator goes out of bars. DISCOMs cannot and would not anticipate such exigencies and keep certain reserve to provide stand by support in their power planning on Real time/ Day ahead/Week ahead or Month ahead basis.</p> <p>Even as per Retail Supply Tariff Order and conditions there to, Temporary supply to the Consumers can be extended on a prior application @ 150% of Normal Charges.</p> <p>Since Stand by Support is even contingent than temporary supply, it is requested that Stand by Support charges shall be specified @ 200% of Normal Charges (Demand/Fixed, Energy) of relevant category under which the consumer is classified.</p>
12 (h)	Reactive Energy Charges	<p>Draft Regulation casts responsibility of payment of Reactive Energy charges on to the Consumer. As per Grid Code, Generators and Drawee entities are required to pay reactive energy charges for transfer of reactive energy (Lag or Lead).</p> <p>It is difficult to assess the transfer of reactive energy compared to Voltage level at Bus, at the Consumer end to levy reactive charges.</p> <p>In view of this, the reactive energy charges shall be exclusively specified by the Commission from time to time. Initially 50 paise/Unit (reactive) may be specified as Reactive Energy charges.</p>
14 (4)	Allowing utilization of banked energy during peak ToD hours-12% Banking charges in Kind for drawal during ToD Hours	<p>Keeping in view of the ceiling prices of Rs 10.0/Unit and the requirement of APDISCOMs to procure power from the Exchanges during peak load hours, it is requested that banked energy shall not be allowed to be used during peak ToD hours as in the case of present Regulation & practices. The peak ToD hours shall be as specified in the relevant Retail Supply Tariff Order.</p>

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14(5)	Daily Banking and withdrawal in the same month-priorities of allocation - elaboration of settlement procedure requested.	<p>Draft Regulation envisages accrual of Energy to the Banking account on a daily basis and withdrawal of the same by the end of the month in the settlement process.</p> <p>As per sub clause (6), the Banked energy should be treated as a separate source and this energy should be settled after settlement of RE generation and Captive power.</p> <p>As per Clause 14, sub clause (1) the banked energy should be utilized within the same billing month, otherwise it gets lapsed and no compensation will be paid.</p> <p>As per sub-clause (3) the maximum banking allowed is limited to 30% of the consumption from the DISCOM.</p> <p>As per the definition unutilized allocated energy from RE sources would accrue to Banking account.</p> <p>In the draft regulation, the Generation from RE sources is given first priority followed by Captive and other sources.</p> <p>To reckon unutilized energy on a daily basis as per the proposed regulation, the daily consumption is to be compared vis-à-vis the daily allocation (Same monthly percentage allocation applied on daily basis) from different sources of power. In this scenario power allocation from RE sources needs to be given last preference, since any under-utilization on this account would go to banking, after exhaustion of power allocation from Non-RE sources including Captive.</p> <p>Accordingly, the settlement preference shall be other sources first followed by RE sources.</p> <p>Since the banked energy is linked to the consumers, in the settlement process once energy accrual to the banked energy on daily basis is reckoned and pooled up, the same will be allocated back to the Consumer during non-peak ToD hours, subjected to observing 30% condition, and the residual energy & demand needs to be billed by the incumbent DISCOM.</p> <p>The procedure needs to be elaborated in the Regulation to avoid any future confusion in the billing.</p>
16	Collection & Disbursement of GEOA Charges.....	<p>The draft Regulation proposes that the State Nodal Agency (SNA) shall collect all charges from the Consumers and reimburse to the respective Licensees. This is expected to cause confusion in Billing since banking account is maintained at Consumer end and</p>

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		<p>banking charges are different at different ToD periods. Different charges include Wheeling charges, Cross Subsidy Surcharge, Additional Surcharge and Grid Support charges are to be levied. This requires interference of SNA in the billing database of the DISCOMs. The STU or the SLDC may not be able to conduct this exercise.</p> <p>In view of the above, as in the case of existing Open Access Regulation (2 of 2005) the onus of collecting different charges shall be vested with territorial DISCOMs where the consumer is located. The relevant Transmission Charges, if applicable, would be reimbursed to the STU.</p>
	<p>Metering for GEOA- Whether Consumer Meters need to be Main – Check & Stand by</p>	<p>As per the CEA Metering Regulations and clarification proceedings issued by Hon'ble APERC dated 29.01.2015, Consumer Meters involved in OA transactions are to be treated as Interface Meters. In that regard, clarity needs to be given, with regard to location & fixation of Standby Meters. For all the Consumers connected on Mixed Feeders at 33kV or 11kV and at LT level, installation of a Stand by Meter is simply not possible. APERC proceedings dated 29.01.2015 states that in case space is a constraint in existing HT consumers, stand by meter shall not be insisted.</p> <p>APEPDCL opine that requirement of Stand by Meter even in case of existing consumers is to be insisted on par with new Consumers intending to avail Open Access. Space constraint to install a Stand by Meter at a consumer premises needs to be treated as a technical constraint for denial of Open Access.</p> <p>The Hon'ble Commission is requested to take a view in this regard and incorporate a suitable provision in the Regulation.</p>

The above is submitted with the approval of the CMD/APEPDCL

Yours faithfully,

**Chief General Manager/RA & PP
APEPDCL :: Visakhapatnam**