

ANDHRA PRADESH SOLAR POWER DEVELOPERS ASSOCIATION

No.: 15-103/4A, PADMAVATHI NAGAR, TIRUPATI-517502

ANDHRA PRADESH

President : B.SHYAMSUNDER REDDY, Cell: 7019088379

To,
The Honourable Chairman,
APERC,
Singareni Bhavan,
Hyderabad

05-03-2020

Respected Sir,

**Sub : Response to Public Hearing on OP No. 02 of 2020 - Amendment to APERC
(Terms and Conditions of Open Access) Regulation, 2005 Regulation No. 2 of 2005 – Reg.**

We Wish to inform you that the Amendments proposed in the OP No. 02 of 2020, ie. Amendment to APERC (Terms and Conditions of Open Access) Regulation, 2005 Regulation No. 2 of 2005 are completely unwarranted and would force the existing solar power plants to become NPA and go bankrupt. The Amendments will also stop any further investment in solar power plants by developers.

We wish to inform that the objection proposed by the APSPDCL and APEPDCL are completely false and have projected only incorrect information.

1. Renewable Energy (Wind and Solar) capacity is 8515 MW and adding more capacity will be a difficult task.

The above statement that managing the grid is difficult task is completely false. APTRANSCO is fully equipped to handle the variable load. A lot of mechanisms are being enforced like

A) Forecasting, Scheduling and Deviation Settlement Regulation.

As per this regulation, the solar and wind developers have to forecast and schedule the generation and provide weekly, daily, hourly schedule for every 15 minutes and penalties are also imposed on any deviation. With this mechanism there is lot of discipline in the Renewable Energy generation and managing the grid has become easy for the Department. This is in implementation for more than a year.

B) SCADA RTU with SLDC Integration.

All the solar power projects are equipped with SCADA RTU to have the live generation statistics and are integrated with the SLDC for monitoring as well as control.

Contd..2

532
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: 2 :

2. DISCOMs stated that in this scenario, presently promotion of RE power is not envisaged and not warranted.

The above statement is completely false. Andhra Pradesh Renewable energy capacity is just 8515 MW .

As per the statement issued by Mr. R.K .Singh (Minister of State, New and Renewable Energy, Govt. of India)

"As part of Intended Nationally Determined Contributions under the Paris Accord on Climate Change, India has made a pledge that by 2030, 40% of its installed power generation capacity shall be from non-fossil fuel sources and will reduce its carbon emission intensity of GDP by 33-35 % considering 2005 level. The Government has set a target to install 175 GW of renewable energy capacity in the country by the year 2022. This includes 100 GW from solar, 60 GW from wind, 10 GW from biomass and 5 GW from small hydro power."

As per the above statement there is scope for a lot of Solar and Wind projects needed in the state. While the central government is encouraging the establishment of solar power plants, the Andhra Pradesh government is creating hurdles to the existing solar power plants as well as the upcoming solar power plants.

More over in the recent press statement Honourable Chief Minister of Andhra Pradesh and Minister of Energy, Government of Andhra Pradesh is planning to Setup 10000 MW Solar power plant in the Anantapur, Cuddapah, Praksham, and Chittoor. When the DISCOMS are not able to manage the existing capacity of 8500 MW, then how is the government planning for an additional 10000 MW.

So the above statements are completely false.

3. Policies are against Third party / Captive open access generators who are just 2.5 % of total generation capacity.

We wish to inform you that out of total 4000 MW of Solar power capacity , only 2.5 % ie 100 MW is only Third party /Captive open consumers. In other words, only 100 MW of power is being supplied through Third party/ Captive Open access consumers. The rest of the solar power plants are setup through the Power purchase agreements.

The below amendment proposed in the draft regulation will be applicable only to those 100 MW Only.

- A) Exemption on Transmission and Wheeling charges.
- B) Exemption on Distribution losses.
- C) Exemption on Cross Subsidy surcharge.

Contd..3

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: 3 :

The draft regulation is targeting only these developers of 100 MW who are just 2.5% of the overall Solar Power Plant capacity. Out of this 100 MW , 33 MW Appx are captive and balance 67 MW are Third party Sale.

If the Andhra pradesh government does not encourage even 2.5% of private developers through open access, what is the use of having a solar power policy and encouraging the developers to setup the power plants.

APTRNASCO and DISCOMS are misleading APERC by projecting the higher capacity of 8515 MW of renewable energy , where as the actual impacted solar energy plants are just 100 MW. DISCOM business is just affected by 1% only.

4. APTRANSCO and DISCOMS are removing the benefits given to the projects commissioned under the AP Solar power policy 2015.

As per AP Solar power policy 2015, projects setup in this policy period of 5 years were given few exemptions like

- ❖ Exemption on Transmission and Wheeling charges for 10 years
- ❖ Exemption on Distribution losses for 10 Years
- ❖ Exemption on Cross Subsidy surcharge for 5 Years.

Solar power developers have setup the solar power plants based on the AP solar power policy 2015 by taking huge bank loans. The breakeven period of these projects is more than 10 years.

APTRANSCO and DISCOMS have started removing the benefits given AP Solar power policy 2015 by imposing the wheeling charges, Transmission charges even to the projects commissioned under the AP Solar Power policy 2015.

Following are the projects commissioned under AP Solar Power Policy 2015, but still the wheeling charges are collected for them.

A) Indian Oil Corporation Limited, Kadapa.

B) Tirumala Tirupati Devasthanams, Tirupati.

This is completely undemocratic. The benefits given under any policy should be applicable for the policy period and for the duration mentioned in the policy.

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:4:

When even a new policy is introduced, the guidelines of the policy will be applicable only the future projects setup in the duration of the new policy and not for the projects setup under the previous policies.

APTRANSCO and DISCOMS are forcing the solar power projects to go bankrupt and become NPA.

All power developers in the State of Andhra Pradesh are facing problems for renewal of Short Term Open Access agreements and Long Term Open Access agreements as the Departments are not supporting the same. Due to this the developers are put to a lot of inconvenience and settlements are not done regularly on monthly basis and there is a lapse of 6 months period for the last 5 years.

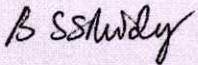
We also request the Hon'ble Chairman to continue the banking facility as per the A.P.Solar Power Policy 2015. It would be very difficult to schedule the power to open access consumers without the banking facility as Solar is available only for 8 hours in a day. 60% of the generated power from the solar power plant will be unutilised without the banking facility, which leads to huge financial losses to the existing Solar projects.

Hence, we pray to The Honourable Chairman, APERC to consider the above problems faced by solar developers and reject the amendments. The amendments will kill the existing solar power projects as well as huge impact to setup the new solar power projects in Andhra Pradesh.

Thanking you,

Yours Sincerely,

For Andhra Pradesh Solar Power Developers Association



B.SHYAMSUNDER REDDY,

President.

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