



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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Draft Regulation

Draft Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation, 2025, (Regulation No. 6 of 2025)

[Regulation No.____ of 2026]

Introduction

The Andhra Pradesh Electricity Regulatory Commission notified the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation, 2025 (Regulation No. 6 of 2025) (hereinafter referred to as “the Principal Regulation”), which was published in the Andhra Pradesh Gazette on 12.09.2025. Subsequently, the Commission notified the First Amendment (Regulation No. 12 of 2025) to the Principal Regulation in the AP Extraordinary Gazette on 05.12.2025.

Whereas representations have been received from stakeholders seeking the removal of the condition requiring Renewable Hybrid Energy Projects to be connected at a single interconnection point, to provide flexibility in project design and optimal utilisation of renewable energy resources.

Whereas the Commission sought the views of APTRANSCO, APDISCOMs and APSLDC on the proposal, and APTRANSCO, in its communication dated 10.02.2026, inter alia, submitted concerns regarding optimisation of grid infrastructure, treatment of hybrid capacity for network planning, levy of transmission and wheeling charges, metering arrangements, scheduling limits, energy settlement methodology and deviation settlement framework;

Whereas the Commission has carefully examined the concerns raised and observes that permitting Renewable Hybrid Energy Projects with components located at different sites will not lead to duplication of transmission infrastructure, and that such flexibility enables generation components to connect at the nearest

technically feasible interconnection point, subject to availability of spare network capacity and approval of the State Transmission Utility, thereby avoiding unnecessary addition of dedicated transmission lines, minimising right-of-way (ROW) requirements, optimising utilisation of existing substations and transmission corridors, and conserving valuable land and national resources;

Whereas the Commission further notes that energy settlement, scheduling and deviation accounting for Renewable Hybrid Energy Projects operating under Open Access shall continue to be governed by the applicable provisions of the APERC (Green Energy Open Access) Regulation No. 3 of 2024 and its amendments from time to time, and that any scheduling beyond the approved hybrid capacity and treatment of inadvertent energy shall be dealt with in accordance with the said Regulations and applicable Deviation Settlement Mechanism framework;

Whereas the Guidelines issued by the Ministry of Power for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind-Solar Hybrid Projects permit location of wind and solar components at the same or different locations, and other States such as Gujarat, Karnataka and Rajasthan have permitted multi-location Wind-Solar Hybrid configurations within their regulatory frameworks with appropriate safeguards relating to connectivity, scheduling and settlement;

Whereas the Government of Andhra Pradesh has articulated ambitious renewable energy targets with a vision of positioning the State as a Renewable Energy Hub of India, and in order to facilitate orderly and sustainable development of renewable energy capacity in the State, it is necessary to provide regulatory flexibility that enables optimal siting of wind and solar components while ensuring grid discipline, transparent energy accounting and protection of consumer interest;

Accordingly, the Commission, after due consideration of stakeholder representations, APTRANSCO inputs, and prevailing regulatory practices, considers it appropriate to remove the requirement for a single interconnection point for Renewable Hybrid Energy Projects, subject to applicable connectivity approvals, scheduling discipline, and settlement mechanisms under the regulatory framework approved by the Commission.

Now, therefore, in exercise of the powers conferred under Sections 61, 62, 86(1)(b) read with Section 181 of the Electricity Act, 2003 and all other powers enabling in this behalf, the Commission hereby makes the following amendment to Regulation 6 of 2025.

1. Short Title, Extent, and Commencement

- (1) This Regulation shall be called the Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation, 2025 (Regulation No. 6 of 2025).
- (2) This Regulation shall extend to the whole of the State of Andhra Pradesh.
- (3) This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. Amendment to Clause 2(1)(z) of the Principal Regulation

Clause 2(1)(z) of the Principal Regulation shall be substituted with the following:

*“**Renewable energy with storage project**’ means a combination of renewable energy projects with storage or a combination of renewable hybrid energy projects with storage at the same or different interconnection point(s);”*

3. Amendment to Clause 2(1)(aa) of the Principal Regulation

Clause 2(1)(aa) of the Principal Regulation shall be substituted with the following:

*“**Renewable hybrid energy project**’ means a renewable energy project that produces electricity from a combination of renewable energy sources connected at the same or different interconnection point(s);”*

4. Amendment to Clause 4(f) of the Principal Regulation

Clause 4(f) of the Principal Regulation shall be substituted with the following:

*“**Renewable hybrid energy project** – The rated capacity of generation from one renewable energy source is at least 25% of the rated power capacity of the other resource, which operates at the same or different point(s) of interconnection:*

Provided that energy is injected into the grid at the same or different interconnection point(s) and metering is done at such interconnection point(s) accordingly.

Provided further that each 1 (one) MW of contracted Wind Solar Hybrid Project shall achieve a minimum CUF of 40%.”

5. Amendment to Clause 4(k) of the Principal Regulation

Clause 4(k) of the Principal Regulation shall be substituted with the following:

“Renewable energy with storage project—This includes a renewable hybrid energy project that uses, partly or fully, renewable energy generated from such a project to store energy in a storage facility connected at the same or different point(s) of interconnection as the renewable energy project.”

6. Amendment to Clause 67 of the Principal Regulation

Clause 67 of the Principal Regulation shall be substituted with the following:

“The Commission shall determine only project specific capacity utilisation factor in respect of renewable hybrid energy projects, taking into consideration the proportion of rated capacity of each renewable energy source, as the case may be, and applicable capacity utilisation factor for such renewable energy sources, as the case may be:

Provided that the Wind-Solar Hybrid Project means a hybrid project if the rated power capacity of one resource is at least 25% of the rated power capacity of the other resource.

Provided that the minimum capacity utilisation factor for renewable hybrid energy projects shall be 40% when measured at the interconnection point(s) where the energy is injected into the grid.”

(By Order of the Commission)

Place: Kurnool
Date : 19.02.2026.

Sd/- 19/02/2026
P.KRISHNA
Commission Secretary i/c