

Draft

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

[Regulation No. of 2025]

First Amendment to the Andhra Pradesh Electricity Regulatory Commission

(Green Energy Open Access, Charges, and Banking) Regulation, 2024

(Regulation No. 3 of 2024)

Introduction:

The Commission notified the Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024 (Regulation No. 3 of 2024) (hereinafter referred to as ‘the Principal Regulation’) which was published in the AP Extraordinary Gazette on 02.05.2024.

Whereas the Government of Andhra Pradesh released the Integrated Clean Energy (ICE) Policy, 2024 on 16.10.2024 which aims to establish Andhra Pradesh as a leader in clean energy, focusing on attracting investments and promoting sustainable development. This policy targets achieving 50% cumulative electric power capacity from non-fossil fuel sources by 2030 and net-zero emissions by 2047 in AP.

Key aspects of the policy are:

- Focus on the entire value chain, which includes renewable energy (RE) manufacturing projects, which are crucial for achieving ambitious targets.
- Harnessing the RE potential in the State, which has significant potential in solar, wind, and hybrid energy sources, along with pumped storage projects.
- The democratisation of energy generation by supporting energy self-sufficiency through schemes like PM Surya Ghar Yojana and PM KUSUM.
- The Anticipated Investment of approximately Rs.10 lakh crores and the creation of around 7,50,000 direct and indirect jobs.
- Promotion of Green Hydrogen in the State, making it a global hub for the export of Green Hydrogen.
- Promotion of investments by simplifying processes, offering incentives for clean energy and RE manufacturing projects, and imparting skills in RE technologies.
- Promotion of a circular economy and reduction of the cost of production by including RE manufacturing projects.
- Aligning the policy with the Government of India’s schemes.
- Development of Renewable Economic Zones (REZs) and Renewable Energy Manufacturing Zones (REMZs).
- Support for various clean energy technologies, which include solar power, wind power, wind-solar hybrid power, green hydrogen and its derivatives, biofuels, energy storage (including Pumped Storage Power (PSP) and Battery Energy Storage

Systems), mini and small hydro projects, and electric mobility charging infrastructure.

- Establishment of a University for Green Energy & Circular Economy (UGC) and a Clean Energy Knowledge & Skill Development Center (CEKSDC).
- Single window clearance for projects.

To successfully implement the aforementioned policy, the Government of Andhra Pradesh (GoAP), acting through the Special Chief Secretary/Energy Department, and invoking Section 108 of the Electricity Act, 2003, addressed a letter to the Commission. In the letter, the GoAP proposed the following amendments to the Principal Regulation and requested the Commission to incorporate the same.

A. *“Provided further, EV charging stations shall be permitted to procure input power through Green Open Access (Green OA) generator.”*

B. *“The hours of supply to ensure grid stability and ensure equity for energy banking and settlement.*

- *Off-peak Hours (solar time): 9 AM - 5 PM*
- *Peak Hours: 5 AM - 9 AM & 7 PM - 11 PM*
- *Normal Hours: 11 PM - 5 AM & 5 PM - 7 PM*

Energy banking shall operate on a monthly billing cycle. Each calendar month constitutes one billing cycle, and banked energy must be utilised within the same cycle. Provided further that if the energy injected into the grid exceeds the demand, it shall be apportioned on a block-wise basis and banked accordingly. This banked energy may be settled within the same blocks as specified below.

- *Energy banked during peak hours may be drawn during peak, off-peak, and normal hours.*
- *Energy banked during off-peak hours may only be drawn during off-peak (solar) hours.*
- *Energy banked during normal hours may be drawn during normal hours.*

Provided further that, APSLDC shall carry out a Grid Level Study every year to determine peak grid demand and allow 5% of the peak demand as banking limit at the state level thereafter incremental year on year at 5% for setting the quantum for banking based on grid constraints.”

C. *“Provided further that the Cross Subsidy Surcharge and Additional Surcharge shall be exempted for production of Green Hydrogen & its derivatives projects. Further, Solar Module and Wind Turbine Manufacturing projects are exempted from Cross subsidy surcharge, whereas Battery Manufacturing projects are exempted from Additional Surcharge for sourcing of renewable energy through third-party open access within the State for a period from the date of commissioning of such projects as mentioned in GO.Ms.No.37, dated 30.10.2024.”*

After thoroughly examining the amendment proposed by the GoAP under Section 108 of the Electricity Act, 2003 and other relevant aspects, including the promotion of efficient and environmentally benign policies as envisaged in the preamble of the Electricity Act, 2003, the Commission, in exercise of the powers conferred on it under Sections 86(1)(e), 181(1), Sub-Sections 39(2)(d), 40(c), 42(2), 42(3) and all other powers enabling it in that behalf, hereby amends the Principal Regulation as follows.

1. Short Title, Extent, and Commencement

- i. This Regulation shall be called the First Amendment to the Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024 (Regulation No. 3 of 2024).
- ii. This Regulation shall extend to the whole of the State of Andhra Pradesh.
- iii. This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.

2. The following text shall be inserted as a third proviso in Clause 7 of the Principal Regulation

“Provided further that EV charging stations shall be permitted to procure input power through Green Open Access (Green OA) generator.”

3. Clause 9 of the Principal Regulation shall be substituted with the following.

“Connectivity for all new green energy generators shall be granted as per the provisions of APERC Regulation on Power Evacuation from Captive Generation, Co-generation and Renewable Energy Source Power Plants (Regulation No. 3 of 2017). All the Green Energy Open Access (GEOA) generators’ energy shall be settled blockwise in 15 minutes based on the day-ahead schedule. If the energy injected into the grid exceeds the OA schedule/under-utilisation by the consumer in any time block, such excess/underdrawn energy shall be banked, following the banking conditions in this regulation.

However, where it is not possible to implement the 15-minute block-wise energy settlements for whatever reasons, in all such cases, the actual generation from the Green Energy Generator during the month shall be deemed Scheduled Energy. Such deemed scheduled generation during the month shall be apportioned across each time block of 15 minutes and adjusted against the respective consumers’ consumption where the block-wise data is available with the consumers’ meters. Further, wherever the block-wise consumer data is unavailable, the actual generation during the month may be treated as scheduled energy, and the same shall be accounted for in a lump sum manner for the connected consumers based on the allocations given by the generator.

Energy settlements of intra-state Renewable Energy generators for interstate

transactions shall be done as per the relevant CERC Regulations. Deviations of all intra-state Wind and Solar Generators' schedules covered by APERC's GEOA Regulation 2024 shall be settled as per CERC DSM Regulations 2022 as amended from time to time until the Commission issues a comprehensive Regulation in this regard.

Except for amendments mentioned above, the remaining provisions of Regulation 2 of 2006 and its amendments from time to time are applicable for the settlement of energy."

4. The following text shall be added after para 1 in clause 10 of the Principal Regulation.

"Any general amendments regarding changes in Names, Entry/Exit points, and contracted capacities of the consumers as per the provisions of the Open Access agreements shall not be considered for applying GEOA Regulation No.3 of 2024. Only all new applications and applications for additional capacity of the existing OA generator will be covered by the GEOA Regulation 2024."

5. The following text shall be added as a 5th proviso to Clause 13 of the Principal Regulation.

"Provided further that the Cross Subsidy Surcharge and Additional Surcharge shall be exempted for Green Hydrogen production and its derivatives projects. Additionally, Solar Module and Wind Turbine manufacturing projects shall be exempt from the Cross Subsidy Surcharge, while Battery Manufacturing projects shall be exempt from the Additional Surcharge. These projects shall source renewable energy through third-party open access within the State. Further, these exemptions shall be applicable for a period of ten years from the commissioning date of the aforementioned projects, during the operative period of the policy outlined in GO.Ms.No.37, dated 30.10.2024"

6. Clause 14.4 of the Principal Regulation shall be substituted with the following.

"The banking and drawal shall be allowed throughout the billing cycle. The credit for energy banked shall be adjusted during the same banking cycles as per the energy injected in the respective Time of Day ("TOD") slots determined by the Commission in its Retail Supply Tariff Orders. The supply hours to ensure grid stability and equity for energy banking and settlement with effect from 01.04.2026 are:

- Off-peak Hours (solar time): 9 AM - 5 PM*
- Peak Hours: 5 AM - 9 AM & 7 PM - 11 PM*
- Normal Hours: 11 PM - 5 AM & 5 PM - 7 PM*

Due to the emergence of energy democratisation and the intermittency of renewable energy, these hours of supply shall be as decided by APSLDC from time to time,

subject to the approval of APERC. The DISCOMS shall propose these timings in their Retail Supply Tariff filings.

The banked energy shall be settled as specified below.

- *Energy banked during peak hours shall only be drawn/adjusted during peak, off-peak, and normal hours.*
- *Energy banked during off-peak hours shall only be drawn/adjusted during off-peak (solar) hours.*
- *Energy banked during normal hours shall only be drawn/adjusted during normal hours and off-peak hours.*
- *The energy banked during peak ToD slots shall be adjusted first against peak ToD slots, and left-over banked energy in peak ToD slots, if any, shall be drawn/adjusted during off-peak TOD slots, followed by normal ToD slots.*

Provided that the drawl of banked energy during the peak load hours, as approved by the Commission in Retail Supply Tariff Orders, shall not be permitted if R&C measures are in force.

Provided further that the APSLDC shall carry out a Grid Level Study every year to determine peak grid demand and allow 5% of the peak demand as a banking limit at the state level. The SLDC shall notify the allowable maximum banking capacity at the grid level for the ensuing financial year before 1 March every year. The Developers/Open Access users shall apply along with duration and get allocation of banking within the limits stipulated from time to time.”

(By Order of the Commission)

Place : Kurnool
Date: 26.03.2025.

Sd/- 26/03/2025
P.Krishna
Commission Secretary (i/c)