<u>Draft</u>

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

[Regulation No. of 2025]

Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation No. 2 of 2005)

Introduction:

The erstwhile APERC (Andhra Pradesh Electricity Regulatory Commission) of the undivided Andhra Pradesh State notified the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation No. 2 of 2005) (hereinafter referred to as 'the Principal Regulation') which was published in the AP Extraordinary Gazette on 01.07.2005.

And the newly constituted APERC for the residual State of Andhra Pradesh, which came into existence w.e.f. 01.08.2014, post bifurcation of the undivided AP State, adopted the above Regulations, among others, vide APERC (Adaption) Regulation, 2014 (Regulation No.4 of 2014). Subsequently, the new APERC notified the first amendment (Regulation No. 1 of 2016) to the Principal Regulation in the AP Extraordinary Gazette on 08.01.2016.

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, including 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 amendment to the Principal Regulation and requested the Commission to incorporate the same.

"Provided also that the grant of grid connectivity for such Clean Energy Projects and for such operative period as mentioned in GO.Ms.No. 37, dated 30.10.2024, shall be based on the progress and recommendation of SNA 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 powers conferred on it under Section 181(1) read with Sub-Sections 39(2) (d)(ii), 40(c), 42(2), 42(3), 42(4) and Section 86(1)(e) of the Electricity Act 2003 (36 of 2003) and all other powers enabling it in that behalf, hereby amends the Principal Regulation as follows.

1. Short Title, Extent, and Commencement

- This Regulation shall be called the Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation No. 2 of 2005).
- 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 added as a separate Para at the end of the existing Para in Clause 9.2 of the Principal Regulation.

"Provided that the grant of grid connectivity for such Clean Energy Projects and for such operative period as mentioned in GO.Ms.No. 37, dated 30.10.2024, shall be based on the progress and recommendation of the State Nodal Agency as mentioned in GO.Ms.No.37, dated 30.10.2024."

(By Order of the Commission)

Place : Kurnool Date: 26.03.2025. Sd/- 26/03/2025 P.Krishna Commission Secretary _(i/c)