

**BEFORE THE HON'BLE A.P. ELECTRICITY REGULATORY COMMISSION  
AT ITS OFFICE AT V FLOOR, SINGARENI BHAVAN, RED HILLS,  
HYDERABAD**

File No. of 2020  
Op Case No. 16 of 2020

**In the matter of :**

Seeking amendment to Interim Balancing and Settlement Code for Open Access Transactions Regulation No. 2 of 2006 with plea to withdraw the banking facility for open access RE generators and open access consumers.

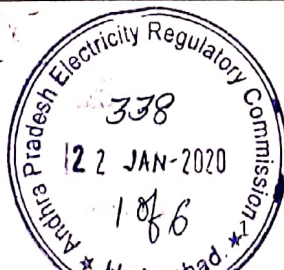
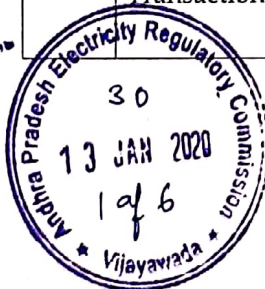
1. Eastern Power Distribution Company of Andhra Pradesh Limited,  
Represented by the Chairman & Managing Director, P & T Colony,  
Seethammadhara, Visakhapatnam - 530013

.....Petitioner

**Petition Filed Under Section 42 (2), 66 & 94 (2) of the Electricity Act 2003 Clause 15  
of APERC Regulation 2 of 2006.**

1. It is submitted that in terms of provisions of Section 42 (2) of Electricity Act 2003, the commission notified the APERC (Terms and Conditions of Open Access) Regulation, No. 2 of 2005, which came into force w.e.f. 01.07.2005. As per clause 19.4 of that regulation the Hon'ble APERC has communicated the Regulation No. 2 of 2006 towards Interim Balancing and settlement Code for Open Access Transactions, subsequently the above said regulation 2 of 2006 has been amended four times.
2. The facility of banking has been given to various types of Renewable energy Open Access generators. The procedures and modalities for the banking facility have been changed at frequent intervals due to Government of AP Renewable Energy power policies and through amendments to the concerned Regulations issued by Hon'ble APERC as furnished below.

Sl.No	Reference	Details of banking facility procedures	Remarks
1.	Regulation 2 of 2006 on Interim Balancing and Settlement Code for Open Access Transactions.	1. The wind and Mini Hydel power generators shall be allowed the facility of banking the electricity generated during all the 12 months. 2. Drawals are subject to the following a) The banking year shall be from January to	



*Wdali*  
**Chief General Manager**  
EC, EA & Solar Energy  
APEPDCL :: Visakhapatnam

		<p>December.</p> <p>b) The banking charges shall be in kind @ 2% of the energy delivered at the point injection.</p> <p>c) Drawals shall be permitted only during the 6 months period from July to December. The banked energy remaining unutilized as on 31<sup>st</sup> December shall be treated as lapsed.</p> <p>d) Drawals of banked energy during the peak hours i.e., 06:00 to 09:00 hours and 18:00 hours to 21:00 hours shall not be permitted.</p>	
2	<p>APERC Regulation No. 2 of 2006 First Amendment Regulation No. 1 of 2013 Dt.22.04.2013 on Interim Balancing and settlement code for Open Access Transactions</p>	<p>1. The Wind, Minihydel and Solar Power generators shall be allowed the facility of banking the electricity generated by them.</p>	
3	<p>APERC Regulation No. 2 of 2006 Second Amendment Regulation No. 2 of 2014, Dt.29.03.2014 to Interim Balancing &amp; Settlement Code for Open Access Transactions.</p>	<p>1. Banking means a facility through which the unutilized portion of energy (Underutilization or excess generation over and above scheduled wheeling) from any of the wind , solar and Minihydel generators during billing month is kept in a separate account and such energy accrued shall be treated in accordance with the conditions laid down in Appendix 3 of the Regulation.</p> <p>2. The banking year shall be from April to March.</p> <p>3. The banking charges shall be in kind @ 2% of the energy delivered at the point of drawal.</p> <p>4. Drawals from banked energy shall not be permitted during the five (5) months period from 1<sup>st</sup> April to 30<sup>th</sup> June and 1<sup>st</sup> February to 31<sup>st</sup> March of each financial year. In</p>	

*W. S. S. S.*  
**Chief General Manager**  
 EC, EA & Solar Energy  
 APEPDCL :: Visakhapatnam

		<p>addition, drawal of banked energy during the time of the day (ToD) applicable during peak hours, as specified in the respective retail supply tariff order, shall also not be permitted throughout the year.</p> <p>5. The energy banked between the period from 1<sup>st</sup> April to end of 31<sup>st</sup> January of each financial year which remains unutilized as on 31<sup>st</sup> January, shall be purchased by the Discoms, as per the wheeling schedule. The energy credited into bank during the month of February &amp; March of each financial year will be carried forward to the month of April of next financial year for the credit of the banking account for the next year.</p> <p>6. Generators have to communicate time block wise banked energy withdrawal schedule and allocations to respective open access / scheduled consumers at least 10 days before the commencement of billing cycle.</p> <p>7. The purchased price payable by the Discoms for unutilized banked energy will be equivalent to 50 % of the pooled cost of power purchase, applicable for that financial year as determined by the Commission. Discom shall settle such purchase transactions with the generators by 31<sup>st</sup> March of each year.</p>	
4	<p>APERC Regulation No. 2 of 2006 Third Amendment Regulation No. 2 of 2016, Dt. 01.08.2016 to Interim Balancing and Settlement Code for Open Access Transactions.</p>	<p>1. Banking allowed to Wind, solar and Minihydel generators during all the 12 months.</p> <p>2. The energy injected into the grid from such Solar and wind power projects as mentioned in G.O.Ms. No. 8 Dt.12 .02 .2015 and G.O.Ms.No. 9 Dt.13.02. 2015 from the date of synchronization to the COD shall be considered as deemed banked energy.</p> <p>3. The Banking year shall be from the 1<sup>st</sup> day of April to 31<sup>st</sup> day of March of the succeeding year (i.e., Financial year)</p>	

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**Chief General Manager**  
 EC, EA & Solar Energy  
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		<p>4. Banking charges shall be in kind @ 2% of the energy delivered at the point of drawal.</p> <p>5. Drawals from banked energy shall not be permitted during the five (5) months period from 1<sup>st</sup> April to 30<sup>th</sup> June and 1<sup>st</sup> February to 31 March of each financial year. In addition, drawal of banked energy during the time of the day (ToD) applicable during peak hours, as specified in the respective retail supply tariff order, shall also not be permitted throughout the year.</p> <p>6. The energy banked between the periods from 1<sup>st</sup> April to end of 31<sup>st</sup> January of each financial year which remains unutilized as on 31<sup>st</sup> January, shall be purchased by the Discoms, as per the wheeling schedule. The energy credited into bank during the month of February &amp; March of each financial year will be carried forward to the month of April of next financial year for the credit of the banking account for the next year.</p> <p>7. Generators have to communicate time block wise banked energy withdrawal schedule and allocations to respective open access / scheduled consumers at least 10 days before the commencement of billing cycle.</p> <p>8. The Unutilized banked energy from Solar and wind power projects and for such operating period as mentioned in Go.Ms.No. 8 Dt. 12.02.2015 and Go.Ms.No. 9 Dt. 13.02.2015 shall be considered as deemed purchase by Discoms at the pooled power purchase cost applicable for that financial year as determined by commission. Discom shall settle such purchase transactions with the generators by 31<sup>st</sup> March of each year.</p>	
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5.	APERC Regulation No. 2 of 2006 Fourth Amendment Regulation No. 4 of 2019 dt. 06.03.2019 to Interim Balancing and Settlement Code for Open Access Transactions	The Commission has made the following amendments to the regulation No. 2 of 2016 1. The Energy injected into the grid from the date of Synchronization to the commercial operation date shall be considered as deemed banked energy.	
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3. In APEPDCL on an average 20 to 25 Nos. of HT consumers are availing open access. In the open access settlements, the following points have been observed.
- No. of consumers are underutilizing in several months and later utilizing the banked units in some other months.
  - Some of the open access consumers could not utilize the total available units under banking resulting in balance units under banking for which Discoms have to pay the generators as per the above said regulations.
  - The irrational and irregular behavior of the HT consumers in Open Access energy utilizations every month is making the units under banked energy to increase every month. This is becoming a most unplanned utilization by the open access consumers and Discoms are forced to pay for the unutilized banked energy.
  - The unplanned utilization of HT consumers under Open Access is causing some times forced backing down of generation leading to disturbing the balancing cost in grid management.
  - Similarly the utilization from banked units is also unplanned utilization from grid management point of view.
  - The banking facility is causing disturbance to the planned schedules in the grid management.
  - The banking facility is bringing indiscipline and irregularity from technical aspect point of view in the day to day grid management.
  - The details of unutilized banked energy and amount to be paid by APEPDCL are furnished as follows.

*W. S. S. S.*  
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Sl.no	FY	No. Units in MU	Rate (pooled Cost)	Amount in Rs. Lakhs.
1	2015-16	0.00213	3.440	0.073
2	2016-17	0.0039	3.650	0.141
3	2017-18	0.6667	3.741	27.942
4	2018-19	5.513	3.741	206.231
<b>TOTAL</b>				231.387 Say 2.313 Crs.

- i. The banking facility is forcing to maintain the Open Access transactions continuously till the end of financial year and to do final adjustments. This is making the transactions complicated and prone for disputes. It is better to discourage the banking facility.
4. The Govt. of Andhra Pradesh has issued amendments to the various renewable energy policies such as AP Solar Power Policy 2018, AP Wind Power Policy 2018 and AP Wind Solar Hybrid Policy 2018 through G.O.MS.No.35 dt.18.11.2019.

As per the above said policies the following have been amended, deleted as furnished below.

**1) Transmission of Distribution charges for wheeling of power.**

- Transmission and Distribution charges shall be as determined by the APERC for connectivity to the nearest central transmission utility (CTU) via State Transmission utility (STU) network for Inter-State wheeling of power, and via STU for Intra- State wheeling of power.
- Accordingly all the provisions in the policies including the following paras shall stand amended / deleted

- Para 4 (a) of AP Solar Power Policy, 2018, Para 8 (b) of AP Wind Power Policy, 2018 and Para 9 (a) of A.P Wind Solar Hybrid Policy, 2018 shall stand amended.
- Para 4 (e) of AP Solar Power Policy, 2018, Para 9 (f) AP Wind Solar Hybrid Power Policy, 2018 shall stand deleted.
- Para 8 of A.P.Solar Power Policy, 2018 Para 4 of A.P. Wind Power Policy and Para 11 of A.P. Solar Wind Hybrid Power Policy, 2018 shall stand amended.

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**Chief General Manager**  
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## 2)Energy Banking and Drawal

- (i) The facility of energy banking and drawal is hereby withdrawn for the Variable Renewable Energy from all the generators.
  - (ii) Any injection of energy between synchronisation and declaration of Commercial Operation Date (COD) shall be treated as inadvertent power and no cost shall be paid by A.P.DISCOS
  - (iii) Accordingly all the provisions in the policies including the following paras shall be stand amended/deleted
    - Para 4 (b) of AP Solar Power Policy, 2018, Para 8 (b) of AP Wind Power Policy 2018 Para 5.4 of AP Wind Solar Hybrid Policy 2018, and Para 9 (c) of AP. Wind Solar Hybrid Power Policy, 2018 shall stand deleted
    - Para 8 of A.P.Solar Power Policy, 2018 Para 4 of A.P. Wind Power Policy 2018 and Para 11 of A.P. Solar Wind Hybrid Power Policy, 2018 shall stand amended.
5. The APEPDCL financial position is in very critical condition and unable to meet the day to day requirements also. The APEPDCL is in the process and taking measures to curtail all unnecessary expenditures to improve the financial position. As part of it, it is observed that the payments towards unplanned, unutilized banked energy is causing financial losses to APEPDCL.
6. It is prayed that the Hon'ble Commission may please to pass orders.

To amend Interim Balancing and Settlement Code for Open Access Transactions Regulation No. 2 of 2006 with plea to withdraw the banking facility for open access RE generators and open access consumers.

7. An amount of Rs.10000/- (Rupees Ten thousand only) is paid in the form of DD bearing No.286067, Dt. 13.01.2020 of *State Bank of India* drawn in favour of Secretary, APERC payable at Hyderabad.

Encl: As above

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PETITIONER  
Chief General Manager  
EC, EA & Solar Energy  
APEPDCL :: Visakhapatnam

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1. Eastern Power Distribution Company of Andhra Pradesh Limited, Rep.  
by the Chairman & Managing Director, P & T Colony, Seethammadhara,  
Visakhapatnam - 530013

.....Petitioner

VERIFICATION AFFIDAVIT

I, V. Vijaya Lalitha, D/o Sri.V. Subba Rao, age 51 years working as Chief General Manager, Energy Conservation, Energy Audit & Solar Energy, Easternpower Power Distribution Company of Andhra Pradesh Limited (APEPDCL), Visakhapatnam do solemnly affirm and say as follows:

1. I am the Chief General Manager, Energy Conservation, Energy Audit & Solar Energy, Easternpower Power Distribution Company of Andhra Pradesh Limited (APEPDCL), having its office at P & T Colony, Seethammadhara, Visakhapatnam - 530013 and am competent and duly authorized by the Petitioners to affirm swear, execute and file this petition.
2. I have read and understood the contents of the Petition. The contents of the petition now shown to me are true to my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

*Wdali*  
DEPONENT

Chief General Manager  
EC, EA & Solar Energy  
APEPDCL :: Visakhapatnam

VERIFICATION:

I, solemnly affirm at Visakhapatnam on this day of January 2020 that the affidavit has been signed in my presence.

*Shankar*  
DGM/LEGAL AFFAIRS  
APEPDCL: Corporate Office  
Visakhapatnam