ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantrana Bhavan, Adjacent to 220/132/33 kV AP Carbides SS,
Dinnedevarapadu Road, Kurnool - 518 002, Andhra Pradesh.
Phones: 08518 - 294823,24,25,26

FRIDAY, THE EIGHTHDAY OF MAY,

TWO THOUSAND AND TWENTY-SIX

(08.05.2026)

Present:

Sri P.V.R. Reddy,
Member & Chairman $_{i/c}$

In the matter of the Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024 **(Regulation No. 3 of 2024)**

Statement of Reasons (SOR)/ Order

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 Andhra Pradesh Gazette on 02.05.2024. Subsequently, the Commission notified the First Amendment to the Principal Regulation on 04.12.2025.

Upon examining stakeholder representations seeking removal of the condition requiring Renewable Hybrid Energy Projects to be connected at a single interconnection point and seeking regulatory clarity on the treatment of hybrid projects, the Commission prepared the Draft Second Amendment to the Principal Regulation. Accordingly, the Commission issued a Public Notice dated 19.02.2026 inviting comments, suggestions and objections from stakeholders. In response, the Commission received objections from various stakeholders. The Commission has carefully examined all submissions. The summary of the relevant objections, along with the Commission's analysis and decisions thereon, is detailed below.

Comments/suggestions/objections received and the Commission's analysis and decisions.

i. **The following definition shall be inserted as Clause 2(1)(m-a) of the Principal Regulation**

Draft

"(m-a) 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).

Provided that 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 point or different interconnection point(s):

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

Objections/views/comments

The Distributed Solar Power Association, the National Solar Energy Federation of India, and Torrent Green Energy Private Limited stated that the recognition of Renewable Hybrid Energy Projects with components located at different interconnection points is a progressive step aligned with national policy frameworks such as the National Wind-Solar Hybrid Policy and the Green Energy Open Access Rules, 2022. They further stated that an enabling provision may be incorporated to recognise Renewable Hybrid Energy Projects as distinct from conventional single-source projects, noting that wind and solar resources exhibit complementary generation patterns that enhance reliability, efficiency, and optimal utilisation of resources, as supported by studies, including those of the National Institute of Wind Energy. It was submitted that the proposed framework aligns with the National Wind–Solar Hybrid Policy, promoting the efficient use of transmission infrastructure and improving grid stability. The stakeholder further stated that there is a regulatory gap for non-co-located hybrid projects concerning connectivity, scheduling, deviation settlement, and charges, and that such projects should be treated as a single integrated generating project. It was suggested that aggregated scheduling and unified deviation settlement be adopted to preserve the benefits of hybridisation, and that transmission and wheeling charges be levied based on the hybrid project's contracted capacity rather than the sum of the individual component capacities, to ensure parity with co-located projects.

Indian Wind Power Association (IWPA) submitted that the proposed minimum CUF of 40% is higher than the prevailing industry norms and requested that it be reduced to 30%, similar to the RFS issued by REIAs (SECI, NTPC, NHPC & SJVN) and other States' Regulations (Haryana, Bihar, Rajasthan and Madhya Pradesh).

Amplus Energy Solutions Private Limited submitted that CUF depends on site-specific resource availability and project design, and may vary depending on whether renewable sources are connected at the same or different interconnection points. It was suggested that the minimum CUF may be specified as 30% for projects with components connected at the same interconnection point and 40% for projects with components connected at different interconnection points, to reflect practical operating conditions.

Sri M. Venugopal Rao, Sri CH. Babu Rao and **Sri Kandharapu Murali** submitted that permitting Renewable Hybrid Energy Projects at different interconnection points would defeat the fundamental concept of hybridisation, may lead to duplication of transmission infrastructure, and could result in increased costs for consumers. They further submitted that the proposed provisions may enable developers to combine projects located at different sites and impose higher-cost power under the guise of hybrid projects.

Commission's analysis and decision

The Commission notes that recognition of Renewable Hybrid Energy Projects, including those with components at different interconnection points, is consistent with the MNRE guidelines dated 14.10.2020 on the Tariff-Based Competitive Bidding Process for the procurement of power from Grid-connected Wind-Solar hybrid Projects.

Regarding the connection of RE Hybrid components at different locations, the Commission is of the view that this enables the development of RE Hybrid projects based on site-specific resource availability and connection at the nearest technically feasible point, subject to network capacity and approval of the State Transmission Utility, thereby facilitating efficient use of existing infrastructure. Further, mandating co-location of wind and solar components in all cases may not be optimal, as wind resource potential is typically spread across large geographic areas, often spanning several kilometres. Requiring co-location in such cases may necessitate the development of long transmission lines and associated infrastructure, leading to increased costs, practical difficulties in interconnection, and inefficient utilisation of land and network resources. Such an approach may result in suboptimal deployment of renewable resources and lead to the exploitation of national resources, such as land and infrastructure.

Regarding the concerns about connectivity, scheduling, deviation settlement, and charges for non-colocated RE hybrid projects, these issues are already addressed in these amendments.

The contention that higher tariffs or undue advantage to developers is untenable, as tariff determination and procurement remain subject to the applicable provisions of the Act and to regulatory oversight. The present amendment relates only to providing flexibility in connectivity for RE hybrid projects and does not alter the principles of tariff determination.

The stakeholders shall note that the present amendment is limited to clarifying the interconnection of components of Renewable Hybrid Energy Projects under the Regulatory framework. The provisions relating to the Capacity Utilisation Factor (CUF) have been finalised earlier, after due process, including public consultation, and therefore, it is not inclined to revise them.

Accordingly, the Commission decides to retain the clause in accordance with the draft Regulation.

ii. The following text shall be inserted at the end of clause 9(2) of the Principal Regulation.

Draft

Explanation regarding Non-Colocated RE Hybrid Projects

"Non Colocated Renewable Hybrid Energy Project shall be treated as a single generating project. The capacity of the RE hybrid project shall be the basis for scheduling each individual source, irrespective of that source's capacity. The schedule for each source shall be furnished separately. The sum of the schedules of all individual sources of the hybrid projects shall not exceed the capacity of the RE hybrid project at any time block. Any energy scheduled in

excess of the RE hybrid project's capacity shall be treated as inadvertent energy. The energy injected shall be scheduled, source-wise, at the interconnection point for energy settlement, deviation and forecasting deviations. Connectivity for each source of the RE hybrid project may be granted in accordance with the normal technical feasibility requirements by TRANSCO/DISCOMS. The individual source of the RE hybrid project may be connected anywhere in the State."

Objections/views/comments

APTRANSCO submitted that network planning is based on installed capacity at each injection point and, therefore, charges should be based on aggregate installed capacity.

Clean Max Enviro Energy Solutions Ltd. submitted that since scheduling is capped at hybrid capacity, transmission charges should be levied only on contracted hybrid capacity.

The Distributed Solar Power Association (DSPA) and the National Solar Energy Federation of India (NSEFI) submitted that hybrid projects should be treated as a single entity for scheduling and deviation settlement.

Commission's analysis and decision

The Commission notes that under the definition of "contracted capacity" in the Open Access Regulation No. 2 of 2005, the OA user may determine the contracted capacity for the Renewable Hybrid Energy Project. The Commission further observes that transmission/wheeling charges are levied on a per-unit of energy transmitted/wheeled basis and therefore are not dependent on the contracted capacity. Accordingly, there is no adverse financial impact on the transmission licensee or Users.

Though connectivity for each constituent source shall continue to be granted, subject to technical feasibility, at the respective interconnection points, the RE Hybrid project shall be treated as a single entity for all purposes as defined in the amendment.

Accordingly, the Commission decides to retain the clause in accordance with the draft Regulation.

iii. **The following text shall be inserted at the end of clause 12(b) of the Principal Regulation.**

Draft

"Provided that the Distribution/ Wheeling charges shall be exempted for eligible Clean Energy Projects & RE Manufacturing Projects availing Open Access under APERC Regulation No. 3 of 2024, and commissioned (or) achieved Financial Closure (FC) during the operative period (Projects commissioned within the timelines as specified in the approvals), and for the exemption period as mentioned in GO.Ms.No.37, dated 30.10.2024, if injection and drawal of power is at the same voltage level within the State irrespective of DISCOM boundaries. The DISCOMs shall claim such exempted charges from the State Government along with the subsidy claims under Section 65 of the Electricity Act, 2003. In case of Renewable Hybrid Energy Projects, if the constituent renewable energy components are connected at different voltage levels, wheeling charges and loss allocation shall be applied to each component based on its respective voltage level of interconnection."

Objections/views/comments

APTRANSCO submitted that, in order to avoid cash flow issues to the licensees, the provision relating to exemption of wheeling and distribution charges may be modified such that the applicable charges shall be collected upfront by the licensees from the Open Access/RE users, and thereafter reimbursed by the State Government directly to such users through a Direct Benefit Transfer (DBT) mechanism. They further submitted that the draft regulations, under which DISCOMs claim reimbursement from the State Government, may lead to delays in subsidy payments and, consequently, a financial burden on utilities.

Radiance Renewables Private Limited submitted that the exemption should be allowed irrespective of the voltage level.

Amplus Energy Solutions Private Limited submitted that clarity is required in cases where injection and drawal occur at different voltage levels, particularly for Renewable Hybrid Energy Projects with components connected at multiple interconnection points. It was submitted that the applicability of the exemption and the treatment of wheeling charges should be clearly defined to avoid ambiguity and ensure consistent implementation, especially where hybrid project components operate at different voltage levels.

Commission's analysis and decision

The Commission notes that the exemption of distribution and wheeling charges is being provided in accordance with the policy framework notified by the Government of Andhra Pradesh under GO.Ms.No.37, dated 30.10.2024.

With regard to the suggestion of APTRANSCO to adopt a Direct Benefit Transfer (DBT) mechanism, the Commission observes that requiring Open Access users/RE developers to pay the applicable distribution/wheeling charges upfront to the licensee and subsequently seek reimbursement may not promote RE generation as envisaged in the Policy in the Commission's view. Such an approach may not be conducive to the objective of promoting renewable energy and facilitating ease of doing business. The regulatory framework is required to maintain a balance of stakeholder interests while ensuring that policy is implemented effectively. The Commission further notes that pursuant to Section 65 of the Electricity Act, 2003, subsidies are to be disbursed in advance to licensees based on estimated needs. Moreover, in cases of delayed subsidy disbursement, licensees are entitled to impose a Late Payment Surcharge (LPS) in accordance with the Commission's Order, thereby safeguarding the utilities' interests. Consequently, the concerns regarding substantial financial repercussions for the licensees are unsubstantiated. Therefore, no modifications are necessary.

With regard to the request for clarity in cases where injection and drawal occur at different voltage levels, the Commission notes that the policy provides an exemption only where injection and drawal are at the same voltage level.

The Commission further notes that the draft provision already provides adequate clarity by specifying that, for Renewable Hybrid Energy Projects with components connected at different voltage levels, wheeling charges and loss allocation shall be applied to each component based on its respective interconnection voltage level. Further, where injection and drawal of power occur at the same voltage level, exemption of distribution/wheeling charges shall be applicable to all eligible Clean Energy projects, including Solar-Wind Hybrid projects, in accordance with GO.Ms.No.37, dated 30.10.2024. In cases where only a part of the Renewable Hybrid Energy Project is connected at the same voltage level as the drawal point, the exemption shall be applicable to such corresponding portion or quantum of the energy wheeled from the hybrid project meeting the said condition. Since the applicable charges are levied on a per-unit basis, such treatment would not result in any implementation issues.

Accordingly, the Commission decides to retain the clause in accordance with the draft Regulation.

iv. The following text shall replace the 5th proviso to Clause 13 of the First Amendment of Principal Regulation. *(Suo moto)*

"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 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. The Distribution Licensee shall claim the waivers under Section 65 of the Electricity Act, 2003, from the Government of Andhra Pradesh."

Commission's analysis and decision

The Commission notes that the Regulation's reference to a 10-year exemption period is not aligned with the Government Order regarding ICE policy. The exemption period is governed by the terms and operative period specified in GO.Ms.No.37, dated 30.10.2024, and therefore requires correction to avoid inconsistency.

Accordingly, the Commission is inclined to modify the clause as follows.

"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 from the date of commissioning of such projects as mentioned in GO.Ms.No.37, dated 30.10.2024. The Distribution Licensee shall claim the waivers under Section 65 of the Electricity Act, 2003, from the Government of Andhra Pradesh."

v. Other Suggestions.

APTRANSCO submitted that there is no explicit provision in Regulation No. 3 of 2024 and Regulation No. 3 of 2017 for levying charges during the connectivity phase, i.e., prior to commencement of power injection. It was submitted that the grant of connectivity results in the reservation of network capacity ("network blocking"), and, in the absence of any charges, developers may obtain connectivity without a firm commitment, thereby blocking transmission capacity and obstructing access for genuine developers. Accordingly, APTRANSCO proposed introducing connectivity charges, similar to the General Network Access (GNA) framework of CERC, to recover network costs and ensure efficient utilisation of transmission assets.

Commission's analysis and decision

The present amendment is limited in scope to addressing issues related to the connectivity of components within Renewable Hybrid Energy Projects. Introduction of connectivity charges constitutes a broader regulatory change and cannot be undertaken in the present amendment without detailed examination and stakeholder consultation. In view of the above, the Commission is not inclined to introduce connectivity charges in the present amendment. However, the issue may be examined separately when framing the Regulation for intra-state GNA regulation.

The list of objectors is shown in **Annexure I,** and the final Regulation in **Annexure II.**

Sd/-
P.V.R. Reddy
Member & Chairman $_{i/c}$

Annexure - I

List of Objectors

Sl.	Name of Stakeholders
1.	Sri. M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies, Hyderabad.
2.	Sri. Kandharapu Murali, Secretariat Member, CPI(M), Tirupati District Committee, Tirupati.
3.	Sri. CH. Baburao, State Secretariat Member, CPI(M), Vijayawada.
4.	Sir. Manit Brahmbhatt, Manager - Commercial, Torrent Green Energy Pvt. Ltd.
5.	Sri. Ashu Gupta, Vice President, Regulatory & Government Relations, Clean Max Enviro Energy Solutions Ltd.
6.	Sri. Ashu Gupta, Authorised Signatory, Distributed Solar Power Association (DiSPA), New Delhi.
7.	Sri. Subrahmanyam Pulipaka, CEO, National Solar Energy Federation of India (NSEFI), New Delhi.
8.	M/s. Indian Wind Power Association, Hyderabad.
9.	Sri. Gaurav Chhabra, AGM Regulatory & BD, Radiance Renewables Pvt. Ltd., Mumbai.
10.	Sri. G. Surya Sai Praveenchand, I.A.S, Joint Managing Director, APTRANSCO.
11.	Sri. Vivek Ranjan, Sr. Manager, Amplus Energy Solutions Private Limited.

Annexure - II

Second Amendment to the Andhra Pradesh Electricity Regulatory Commission (Green Energy Open Access, Charges, and Banking) Regulation, 2024 (Regulation No. 3 of 2024)

[Regulation No. 02 of 2026]

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 keeping in view the objectives of the ICE Policy, the Commission notified the First Amendment to the Principal Regulation on 04.12.2025 to facilitate enhanced participation in Green Energy Open Access and to provide regulatory clarity in matters relating to charges, banking and related operational aspects;

Whereas the Commission has issued a draft amendment to the APERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation, 2025, proposing the removal of the requirement of a single interconnection point for Renewable Hybrid Energy Projects, subject to applicable connectivity approvals and grid discipline;

Consequent to the above amendment, it has become necessary to provide explicit regulatory clarity under the Green Energy Open Access framework regarding the definition, metering arrangements, scheduling, energy accounting, and deviation treatment for Renewable Hybrid Energy Projects.

Accordingly, the Commission issued a Draft Second Amendment to the Principal Regulation along with a Public Notice dated 19.02.2026 under Section 181(3) of the Electricity Act, 2003, read with the Electricity (Procedure for Previous Publication) Rules, 2005, inviting comments, suggestions, and objections from all stakeholders and interested parties. In response to the Public Notice, the Commission received comments/objections from various stakeholders. After careful examination of the suggestions as detailed in the Order dated 08-05-2026, and in exercise of the powers conferred under Sections 42, 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 issues the Second amendment to Regulation 3 of 2024 as follows.

1. **Short Title, Extent, and Commencement**

   i. This Regulation shall be called the Second 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 definition shall be inserted as Clause 2(1)(m-a) of the Principal Regulation.**

   *"**(m-a) 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).*

   Provided that 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 point or different interconnection point(s):

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

3. **The following text shall be inserted at the end of clause 9(2) of the Principal Regulation.**

   Explanation regarding Non-Colocated RE Hybrid Projects

   "Non Colocated Renewable Hybrid Energy Project shall be treated as a single generating project. The capacity of the RE hybrid project shall be the basis for scheduling each individual source, irrespective of that source's capacity. The schedule for each source shall be furnished separately. The sum of schedules of all individual sources of the hybrid projects shall not exceed the capacity of the RE hybrid project at any time block. Any energy scheduled in excess of the RE hybrid project's capacity shall be treated as inadvertent energy. The energy injected shall be scheduled, source-wise, at the interconnection point for energy settlement, deviation and forecasting deviations. Connectivity for each source of the RE hybrid project may be granted in accordance with the normal technical feasibility requirements by TRANSCO/DISCOMS. The individual source of the RE hybrid project may be connected anywhere in the State."

4. **The following text shall be inserted at the end of clause 11 of the Principal**

Regulation.

"In the case of non-colocated Renewable Hybrid Energy Projects, the interface meter for each individual source shall be installed at the respective interconnection point(s) at the grid substation. "

5. **The following text shall be inserted at the end of clause 12(b) of the Principal Regulation.**

"Provided that the Distribution/Wheeling charges shall be exempted for eligible Clean Energy Projects & RE Manufacturing Projects availing Open Access under APERC Regulation No. 3 of 2024, and commissioned (or) achieved Financial Closure (FC) during the operative period (Projects commissioned within the timelines as specified in the approvals), and for the exemption period as mentioned in GO.Ms.No.37, dated 30.10.2024, if injection and drawal of power is at the same voltage level within the State irrespective of DISCOM boundaries. The DISCOMs shall claim such exempted charges from the State Government along with the subsidy claims under Section 65 of the Electricity Act, 2003. In case of Renewable Hybrid Energy Projects, if the constituent renewable energy components are connected at different voltage levels, wheeling charges and loss allocation shall be applied to each component based on its respective voltage level of interconnection."

6. **The following text shall replace the 5th proviso to Clause 13 of the First Amendment of 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 from the date of commissioning of such projects as mentioned in GO.Ms.No.37, dated 30.10.2024. The Distribution Licensee shall claim the waivers under Section 65 of the Electricity Act, 2003, from the Government of Andhra Pradesh."

(By Order of the Commission)

Place: Kurnool
Date : 08.05.2026

Sd/- 17/03/2026
P.KRISHNA
Commission Secretary i/c