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-LAW IN ACTION



Legal Updates

The Central Electricity Regulatory Commission (“**CERC**”), vide notification No.: RA-14026(11)/1/2023-CERC dated 12.06.2024, issued the CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 (“**RE Tariff Regulations**”). The salient features of the RE Tariff Regulations are as follows:

1. These regulations shall apply to cases where the tariff, for a grid connected renewable energy generating station, is to be determined by CERC under Section 62 of the Electricity Act, 2003 (“**Electricity Act**”).
2. The RE Tariff Regulations will be applicable projects commissioned in the control period i.e., 01.07.2024 to 31.03.2027. Tariffs set during this period will remain applicable until the end of the tariff period.
3. These regulations also spell out detailed and stringent eligibility criteria for projects harnessing power from renewable sources for tariff determination.
4. These regulations postulate generic tariffs for various renewable energy (“**RE**”) projects including small hydro, biomass power, non-fossil fuel-based cogeneration, biomass gasifier, biogas, municipal solid waste, and refuse-derived fuel projects.
5. Project specific tariff is envisaged for renewable energy projects including solar PV, wind, biomass, biomass gasifier, biogas, municipal solid waste, renewable hybrid sources, renewable energy with storage or any other approved technology.

**CERC issues CERC
(Terms and Conditions for
Tariff determination from
Renewable Energy
Sources) Regulations,
2024**

6. The RE Tariff Regulations allow the RE based Generating Station and the beneficiary to agree to a tariff for electricity supply, in deviation from the norms specified in these regulations provided that the levelized tariff under the RE Tariff Regulations shall be the ceiling levelized tariff

The CERC, vide Notification No. L-1/265/2022/CERC dated 12.06.2024, issued the draft CERC (Indian Electricity Grid Code) (First Amendment) Regulations, 2024 (“**Draft IEGC Amendment**”). The interested stakeholders may provide their comments/ suggestions on the Draft IEGC Amendment by **15.07.2024**. Following are the salient features of the Draft IEGC Amendment:

1. As per the Draft IEGC Amendment, injection of infirm power shall not exceed for more than one year from the date of first synchronisation for generating stations other than renewable energy generating station (“**REGS**”) and energy storage system (“**ESS**”).
2. Injection of infirm power shall not exceed 45 days from the date of first-time charging approval for REGS and ESS.
3. The thermal power stations (“**TPS**”) whose tariffs are adopted under Section 63 of the Electricity Act shall be compensated for part load operation, i.e., for generation below the normative level of operation, in terms of the contract entered into by such generator with the buyers, or in the absence of such provision in the contract, as per the mechanism under the CERC (Indian Electricity Grid Code) Regulations, 2010.
4. TPS, whose tariffs are determined under Section 62 of the Electricity Act, 2003, shall be compensated for part load operation as per the provisions of applicable Tariff Regulations.
5. The Draft IEGC Amendment also makes changes to the adjustment criteria for schedules below the minimum turndown level.
6. The Draft IEGC Amendment aims to substitute Regulation 27 (2) which provides that scheduling of the generating station or unit thereof shall start from 0000 hours of D+2, modifying the meaning of the term “D” which currently denotes the commercial operation date (“**COD**”) of the generating station or unit thereof to now represent the date when a generating station intimates the COD of the generating station or unit thereof.
7. It also provides that downward revision of schedules by the buyers for ‘D’ day, after 14:30 hrs on ‘D-1’ day in the generating station shall not be allowed below their respective share of minimum turndown level in the generating station.
8. Revision of Declared Capacity and schedule of a generating station or ESS (as an injecting entity) shall be allowed only in case of bilateral transactions and not in case of collective transaction.

The Delhi Electricity Regulatory Commission (“**DERC**”), vide its notification dated 07.06.2024, issued Draft DERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024 (“**Draft Regulations**”). The stakeholders are required to provide their suggestions/comments/objections on the Draft Regulations by **02.07.2024**.

Followings are some of the relevant provisions of the Draft Regulations:

1. The Draft Regulations are applicable for allowing Green Energy Open Access (“**GEOA**”) to electricity generated from green energy sources, including the energy from non-fossil fuel

**CERC notifies draft
CERC (Indian Electricity
Grid Code) (First
Amendment) Regulations,
2024**

**DERC issues Draft GEOA
Regulations, 2024**

based Municipal Solid Waste-to-Energy (“**WtE**”) plant for use of Intra-State Transmission System (“**InSTS**”) or distribution system or both in the State including InSTS and/or Distribution System (s) which are incidental to Inter- State Transmission system (“**ISTS**”) of electricity.

2. Green Energy (“**GE**”) has been defined as electrical energy from renewable sources of energy including hydro and storage (if the storage uses renewable energy) or any other technology as may be notified by the Government of India (“**GoI**”) and shall also include any mechanism that utilizes green energy to replace fossil fuels including production of Green Hydrogen or Green Ammonia and any other sources as may be determined by the GoI.
3. The Draft Regulations defines the GEOA Consumer to mean any person who has contract demand/ sanctioned load of 100 kW or more, either through single connection or through multiple connections aggregating 100 kW or more located in same electricity division of a distribution licensee, who is supplied with electricity from GE sources for his own use by a licensee or the Government or from its own Captive Generation Plant or by any other person engaged in the business of supplying electricity to the public.
4. Distribution licensee shall have highest priority over other GEOA consumers which shall have its priority over normal Open Access consumers in the same category. Further, a long terms consumers will have the highest priority, followed by medium term and subsequently short Term which shall be allowed on first come first serve basis.
5. Long-Term GEOA will be allowed in accordance with the Transmission Planning Criteria and Distribution Planning Code whereas Short-Term GEOA will be allowed by utilizing Inherent design margins; Margins available due to variation in power flows and Margins available due to in-built spare transmission system capacity and/or distribution system capacity;
6. Any GE Generating Company having subsisting Power Purchase Agreement (“**PPA**”) with the Distribution Licensee, shall not be entitled to Green Energy Open Access for the Green Energy (RE) capacity, for which PPA is entered into as well as for any capacity (quantum of power) for which Open Access is already granted, except in accordance with the terms of such PPA.
7. There will be no capacity restriction for Renewable Energy (“**RE**”) projects for captive use with respect to the Consumer's contract demand/sanctioned load with Discoms availing power under GEOA.
8. Open access below 1 MW, shall be allowed based on installation of Special Energy Meter capable of energy recording on 15 minutes time block basis.
9. Cross Subsidy Surcharge (“**CSS**”) and Additional Surcharge (“**ADS**”) shall not be applicable in case power produced from a captive generating plant and non- fossil fuel-based Municipal Solid WtE plant is supplied to a GEOA Consumer. CSS would also not be applicable if GE is utilized for production of green hydrogen and green ammonia. ADS shall not be applicable to the GEOA consumer to the extent of contract demand being maintained with the distribution licensee. In case of other GEOA consumers, the ADS shall be linearly reduced from the value in the year in which GEOA was granted to a person so that, if it is continued to be availed by this person, the ADS shall get eliminated within 4 years from the date of grant of GEOA

10. Banking of power shall be permitted for at least 30% of the total consumption of energy and the Banking Charge shall be adjusted in kind @8% of such energy banked.
11. In the billing cycle, the banked energy, if any, available during peak period shall be allowed to be utilized during the peak period and the off-peak period by the Green Energy Open Access consumer. Banked energy available during off-peak period shall be utilized only during off-peak period by the GEOA consumer.
12. The minimum number of time blocks, which shall not be more than 12 time-blocks, for which the consumer shall not change the quantum of power consumed through GEOA so as to avoid high variations in demand to be met by the distribution licensee.
13. New GE generating plant seeking long-term GEOA shall commission its plant within 24 months from date of GEOA application or the scheduled date of commencement of open access/SCOD of the plant as specified in the respective PPA/transmission agreement/wheeling agreement, whichever is earlier, whichever is earlier. Failing which, the GEOA granted shall be deemed to be cancelled.
14. GEOA consumers would have the option to arrange standby power by the distribution licensee of the area of its Supply by paying standby charges @ 125% of normal tariff of the relevant consumer category in the prevailing rates schedule specified in Tariff Order.
15. The GEOA consumers shall pay scheduling charge of Rs. 2000/ day/approval for Short-Term Open Access and in case of Long-Term Open Access and Medium-Term Open Access the same shall be as per Tariff Order w.r.t. SLDC for respective year.
16. The payment for the reactive energy charges shall be in accordance with provisions stipulated in the determination of Open Access charges and related matters vide DERC order dated 01.06.2017. In case of a GEOA consumer procuring power from the distribution licensee and simultaneously wheeling the power from GE supplier, the Reactive Energy Charge shall be as per the applicable tariff orders for relevant class of consumers.

The Madhya Pradesh Electricity Regulatory Commission (“MPERC”), vide its notification dated 13.06.2024 issued draft M.P. Electricity Supply Code 2021 (Fourth Amendment) [ARG-1(II)(iv) of 2024] (“**Draft Supply Code Amendment**”) seeking to amend the M.P. Electricity Supply Code, 2021 (“**Supply Code**”). Suggestions/ objections / comments on the Draft Amendment may be sent to the Secretary, MPERC latest by **24.06.2024**. Accordingly, MPERC will hold public hearing on 25.06.2024 at 11:00 AM.

Followings are some of the relevant amendments:

1. Definition of Metropolitan Area is added which includes the area notified by the State Government under Article 243P (c) of Constitution of India (74th Amendment) Act, 1992 and Section 4 of M.P. Nagar Tatha Gram Nivesh Adhiniyam, 1973.
2. In case when no extension is required, the Distribution Licensee shall provide a new connection or modification in an existing connection within three days in Metropolitan Area.
3. While calculating the load of the multi-consumer complex for development of infrastructure for extension of distribution mains as per Clause 4.35 of the Supply Code, no charges on account of reassessment of load shall be recoverable after the charging of the infrastructure for extension of distribution mains by the licensee but before charging.
4. The Draft Supply Code Amendment aims to modify the provisions of Clause 4.84 providing for demand of supply from the Licensee of the area by any person residing in the housing

**MPERC issues draft
Madhya Pradesh
Electricity Supply Code
2021 (Fourth
Amendment)**

unit sold/ leased by the Cooperative Group Housing Society. The modifies (e)(4) stating that while computing maximum demand of the consumers and Group Housing Society (“GHS”) for billing purpose, the demand recorded in the meters of all such consumers in all 15 minutes’ time block during the billing month shall be subtracted from the demand recorded in the meter of GHS in the corresponding 15 minutes time block. The maximum demand of the GHS shall be the maximum value of the demand recorded in all the 15 minutes time blocks of the GHS duly subtracted by the demand of all such consumers for billing purpose.

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