



DERC (Terms and Conditions for Green Energy Open Access) Regulations, 2024. [Draft]

DERC notified a draft (Terms and Conditions for Green Energy Open Access) Regulations, 2024. [Draft] on 10th June, 2024

Objective: The objective of these Regulations is to provide non-discriminatory Open Access for Green Energy (Renewable Energy) for use of Intra-State Transmission System(s) (InSTS) and/or Distribution System(s) of licensee(s) in State including Intra-State Transmission or Distribution System(s), which are incidental to Inter-State Transmission of electricity, for grant of open access, methodology for the determination of Open Access Charges and Banking Charges etc. for Green Energy Open Access consumers.

The document can be accessed [here](#)

CER Opinion

- Green Energy Open Access (GEOA):** Green Energy Open Access is aimed at enhancing share of green energy in the power sector for the obligated entities as well for the final consumers. Our comments on “MoP Draft Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2021”¹ provides insights to improving efficacy of the same. In the submitted comments, we emphasized on promotion of Green Energy via banking of Green energy, cross subsidy surcharges and green Certificates².
- Treatment of Shortfalls in Energy Banking:** The draft Clause 9 (iii) states, “*the permitted quantum of banked energy by the green energy open access consumers shall be at least 30% of total consumption of electricity from the distribution licensee by the consumers during the billing period*”.

GEOA consumers may encounter shortfall in banked energy (up to 30% of consumption) due to disruptions at generation side and constraint/ limit on load end by DISCOM. Some of these causes may be beyond the control of the GEOA consumers. This provision would have difficulty in implementation, and may lead to disputes thereof. Let us consider a scenario wherein a consumer may be able to ‘bank’ only 28% of its consumption during a billing cycle thus falling short of the eligibility criteria. What would be the treatment of 28% ‘unbanked’ energy fed into the intra-state grid as this is not going to qualify banking criteria? Will be considered as deviation from schedule? Since energy accounting and settlement is undertaken on a weekly basis, how would the energy accounting and settlement be reworked once the month has passed and the ‘excess’ energy injected is not considered as banked energy.

Will there be a mechanism to compensate or return this ‘unbanked’ energy? We suggest a solution wherein the energy injected, with a priori approval/agreement for banking, would be treated as banked energy if it is at least 5-10% of the energy consumption from the distribution licensee. Based on the

¹ CER comments on “MOP Draft Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2021.” https://ccer.iitk.ac.in/blog/new_blog/?id=ODgx

² Singh A. 2009. A market for renewable energy credits in the Indian power sector, Renewable and Sustainable Energy Reviews; 13(3): 643-652. <https://doi.org/10.1016/j.rser.2007.10.011>



‘percentage compliance’ with reference to the eligibility target, banking charges may be differentiated. For e.g., in case of banked energy reaching 25-30% the usual banking charges may apply. In case of banking being within a range of 20-25%, 10% higher banking charges may apply and so on.

Additionally, clarification is required as to the basis of calculation of the above percentage. Will it be based on the scheduled injection (for banking) or the actual injection?

3. Digitalisation and Green Energy Open Access status and Web Portal for the Surplus Availability:

It is suggested that Nodal Agency shall develop a web portal providing details of the application process as well as the status of the grant of GEOA and quantum thereof for easy access. This info should be archive and accessible in public domain for greater transparency.

Furthermore, availability of the surplus capacity (across time blocks) should be made available in advance at least on a day ahead basis as well as on a real time basis at scheduling webpage of the SLDC. Furthermore, to better manage and monitor power usage, it is advisable share information on utilization of GEOA to avoid any hoarding of the access rights.

4. Definition of peak, off-peak and normal hour: As per the draft Clause 15.6 (d), “*The withdrawal of banked energy shall be allowed on a slot to slot basis during the financial year only as per the following system,*

- a) Peak hour banking with peak hour withdrawal;*
- b) Peak hour banking with Off peak hour withdrawal; and*
- c) Off peak hour banking with Off peak hour withdrawal;*

Provided that the withdrawal of power in peak hours shall not be allowed against power banked in Off peak hours.”

Neither the draft document nor does state grid code define the peak and off-peak hours. However, peak, off-peak and normal hour are defined in the Tariff Order in the context of the ToD tariff. The definition of the above mentioned hours should be clarified upfront. Apart from peak and off-peak hours, treatment of banked energy during the normal hours remains undefined in the clause.

5. Mechanism for Guarantee of Origin: GEOA needs a robust mechanism to ensure the origin of the energy used for the generation of green hydrogen or green ammonia is verifiable unambiguously. We have suggested use of the REC mechanism for the same in similar context earlier as well.

The existing Renewable Energy Certificate (REC) registry could be empowered to certify the origin of the energy used and the purchase and use of green hydrogen or green ammonia. This approach leverages the existing institutional structure and processes of the REC registry, making the process more efficient.

6. Verification of Purchase and Use: A reliable mechanism is required to verify the purchase and use of green hydrogen or green ammonia by the obligated entity. This verification is crucial for accurately accounting these purchases towards meeting the Renewable Purchase Obligation (RPO).



- 7. Variation in Renewable Energy Generation:** Considering the variability of renewable energy sources like solar and wind, it may not be feasible for the green energy purchases to pre-specify a quantum of green energy that would be procured during the upcoming year. Therefore, appropriate provisions to address variations in generation should be included. It is recommended to allow a 10-15% variation (or a suitable percentage as deemed fit by the Commission) in the quantum of green energy procurement.
- 8. Exceptions for Force Majeure and Transmission Curtailments:** Beyond the suggested variation, exceptions should be included for force majeure conditions and curtailment of transmission capacity at both inter-state and intra-state levels. These exceptions will provide necessary flexibility and security for consumers and suppliers alike.
- 9. Provision for Part Surrender of Load and Reduction in the Need for Green Energy:** The regulation may allow consumers to partially or fully surrender their load. Such a reduction in load should correspondingly translate into a proportionate reduction in both the quantum of energy to be procured from RE and the duration of green energy open access. This flexibility will accommodate changes in consumer's demand.