



Terms and Conditions for Green Energy Open-access, Regulations 2024

JSERC notified a draft (Terms and Conditions for Green Energy Open-access) Regulations, 2024 on 11th January, 2024.

Objective: The objective of GEOA, is to promote the use and accessibility of renewable energy sources. It aims to facilitate the sharing and distribution of clean and sustainable energy, allowing consumers and businesses to choose environmentally friendly options.

Definitions:

- 1. Green Energy Open Access Consumer (GEOA)** shall mean any person who has contract demand or sanctioned load of **100 kW and above**, either through single connection or through multiple connections aggregating 100 kW or more located in same electricity division of a distribution licensee, (captive consumers shall not have any load limit) who is supplied with electricity from RE sources for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving renewable energy with the works of a licensee, the Government or such other entity, as the case may be;

Categorization of Green Energy Open-access:

- **Long-term Open-access consumers:** The Intra-state transmission and/ or distribution system for a period exceeding **12 years** but not exceeding useful life of the Plant, whichever is earlier;
- **Medium-term Open-access consumers:** The Intra-State Transmission and /or distribution system for a period exceeding 3 months but not exceeding **3 years**;
- **Short-term Open-access consumers:** Open Access for a period up to **one (1) month** at a time;

Provided that short-term Green Energy Open access consumers shall be eligible & re-eligible to obtain a fresh reservation on the filing of an application after the expiry of his term and subject to availability. Such eligibility shall be on priority fixed on the basis of the date of application.

The document can be accessed [here](#).

CER Opinion

- 1. Quantum of green energy:** As per the draft Clause 4.C (iv & v), “*Any requisition for green energy from a distribution licensee shall be for a minimum period of one year;*” & Clause 4.C (v.) “*The quantum of green energy shall be pre-specified for at least one year*”.

The above provision would demotivate Green energy open access consumers to opt for the same. The option for a consumer to seek green energy from a distribution licensee should be in line with consumers’ ability to secure non-green electricity, which does not come with such limitations. To ensure greater acceptability of green energy by final consumers, such limitations should be avoided at the very outset and may be reviewed later, if required.

Given that the RE sources like solar and wind are subject to variation in generation across months, it may not be possible to pre-specify a quantum for a year. **Under such circumstances, appropriate provisions to address cases of such a variation should be added. As a step towards encouraging renewables, a 10-15% variation (or as deemed fit by the Commission) in quantum and duration of green open access should be allowed.** This may be reviewed later based on experience. Over and



above this variation, exceptions should **include force majeure conditions, and curtailment of the transmission capacity, both at the inter-state as well as intra-state level.**

Furthermore, the regulation should provide for part or full surrender of load by the consumers. Such reduction in load should be translated to reduction in the quantum of power as well as duration of green Open Access.

- 2. Guarantee of origin of energy used for producing Green Hydrogen or Green Ammonia:** As per the draft Clause 4.F, *“The obligated entity can also meet their Renewable Purchase Obligation by purchasing green hydrogen or green ammonia and the quantum of such **green hydrogen or green ammonia** would be computed by considering the equivalence to the green hydrogen or green ammonia produced from one MWh of electricity from the renewable sources or its multiples and norms in this regard shall be notified by the Central Commission.”* emphasis added

A mechanism would be required to ensure the origin of source of energy use for generation of green hydrogen or green ammonia. Similarly, mechanism to verify the purchase and use of green hydrogen or green ammonia by the obligated entity would also be required for considering them for meeting the RPO. The existing REC registry may be empowered to certify the same. Relevant procedures, protocols and accounting framework would be required to be specified for the same under the relevant CERC regulations.

- 3. Eligibility Criteria for applying GEOA:** As per the draft Clause 6.i, *“Subject to the provisions of these Regulations and system availability, consumers shall be eligible for Green Open-access to the intra-state transmission system of the State Transmission utility or any other transmission licensee(s) and distribution system of the distribution Licensee(s) within the State. Provided that notwithstanding anything contained in these Regulations, any renewable energy (RE) generation company that currently has a valid Power Purchase Agreement (PPA) with the Distribution Licensee will not be allowed to use open access for the RE capacity specified in the PPA except in accordance with the terms of such PPA. Provided further that, such Open-access shall be available on payment of such charges as may be determined by the Commission from time to time.”*

The regulation excludes the green energy open access for the RE capacity that has been already been tied up with the distribution licensee under a valid PPA. However, it is not clear how this particular clause be implemented on the ground as this needs to be uncertain whether this said RE generator has enhanced the capacity on the ground of the existing RE power plants or has installed additional capacity on the ground which would be transacted through the same pooling meter. Such lack of clarity on this aspect may lead to legal dispute and hence should be clarified upfront.

- 4. Contradiction in two statements:** As per the Clause 9.3, *“The State Nodal Agency shall ensure that **non-refundable processing fee** of ten thousand rupees for long-term/ medium-term Green Energy Open-access and three thousand rupees for short term Green Energy Open-access is paid by applicant to the nodal agency and the nodal agency shall intimate the same through electronic mode of communication, immediately on receipt of the application form from Central Agency. The applicant shall pay the processing fees within one working day.”* & Clause 9.7, *“Where any application is rejected for any deficiency or defect, the **processing fees and BG, if submitted, shall be returned** to the applicant and in such cases a fresh application to the Central Nodal portal shall be made by the applicant after curing the deficiency or defect.”* emphasis added



The first statement states the ‘Processing fee is non-refundable’, while the second one suggests it is ‘refundable to the applicant’. There is a contradiction between the two clauses. Hence, it is recommended to address and correct the inconsistency.

- 5. Digitalisation and Green Energy Open Access status:** As per the draft Clause 10.4., *“Where Open-access is denied, the State Nodal Agency shall furnish reasons thereof to the applicant.”*

The details of the application process as well as the status of the grant of GEOA and quantum of thereof should be reported for easy access at the SLDC portal and be archived thereof.

- 6. Define Power Utilization:** As per the draft Clause 11.1, *“In the event of inability of the short-term Green Open-access consumer to utilize for more than four hours, full or substantial part of the capacity allocated to him, such a short-term Open-access consumer shall inform the respective SLDC of his inability to utilize the capacity, along with reasons therefore and may surrender the use of capacity allocated to him. However, such short-term consumer shall bear full transmission and /or wheeling charges based on the original reserved capacity and the period for which such capacity was reserved.”*

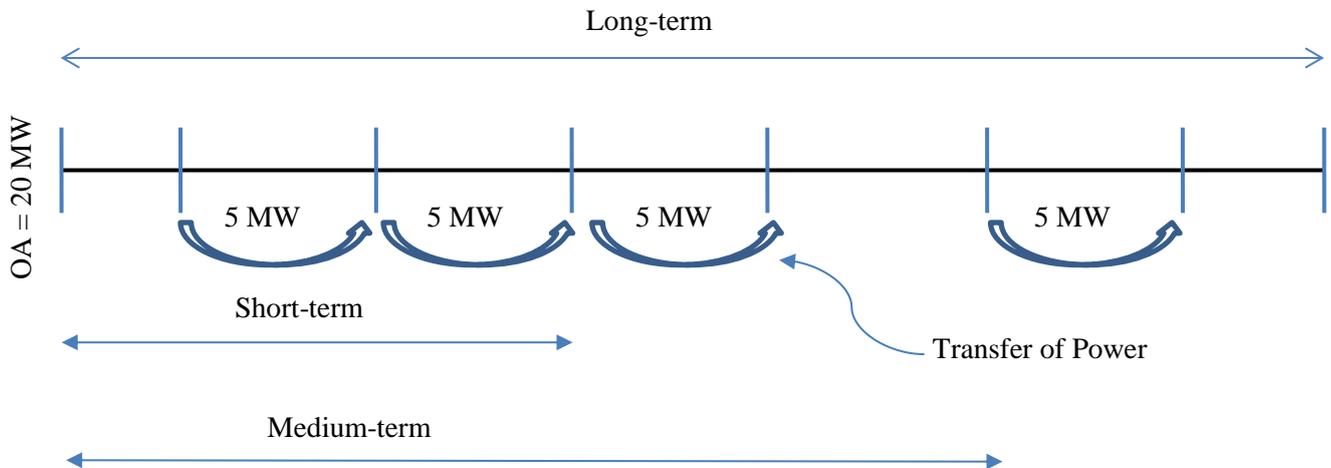
As per the draft Clause 11.3, *“The SLDC may cancel or reduce the capacity allocated to a short term Open-access consumer to the extent it is underutilized, when such a short-term Open-access consumer under-utilizes the allocated capacity more than 2 times in a month with duration of underutilization exceeding 2 hours each time or fails to inform the distribution licensee of his inability to utilize the allocated capacity such cancellation shall be resorted to after giving due notice.”*

The definition of underutilization of power is not clear should be specified with respect to the point of injection or drawl. It is advisable to calculate the power utilization from the injection point of the RE generator.

Also, there is a contradiction in the above two clauses, as in the first statement the underutilization is defined as the inability to utilize the power for more than four hours whereas, it suggests two hours in the second Clause. This inconsistency requires clarification to ensure better understanding.

- 7. Clarification on transfer of rights for long-term/ medium-term:** As per the draft Clause 11.2, *“A medium-term/ long-term consumer shall not relinquish or transfer his rights and obligations specified in the Open-access agreement without prior approval of the nodal agency. The relinquishment or transfer of such rights and obligations by a long term consumer shall be subject to payment of compensation, as per the terms of the Open-access agreement.”*

In the case of medium-term/ long-term consumer having GEOA, the transfer of such rights should be clarified as to whether it takes place for the part of capacity of such open access on a long-terms basis or such transfer can be done for short-term open access also.



- 8. Web Portal for the Surplus Availability:** As per the draft Clause 11.4, *“The surplus capacity available as a result of its surrender by the short-term Open-access consumer under clause (1) above or reduction or cancellation of capacity by the SLDC under clause (3) above, may be allocated to any other short-term Open-access consumer in the order of pending applications based on the point of injection and drawal.”*

The 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 a separate webpage of the web portal to be created for GEOA.

- 9. Definition for the peak, off peak and normal hour:** As per the draft Clause 12.F.vi., *“The withdrawal of banked energy shall be allowed on a slot to slot basis during the financial year only as per the following system,*
- Peak hour banking with peak hour withdrawal;*
 - Peak hour banking with Off peak hour withdrawal; and*
 - 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.”

The GEOA draft does not define the peak and off peak hour, neither such a definition exists in the state grid code. However peak, off peak and normal hour are defined in the Tariff Order while defining ToD tariff. The definition of the above mentioned hours should be clarified upfront.

- 10. Applicability for Exemption with Storage System:** As per the draft Clause 12.1.a.(ii), *“With Storage System Grid connected solar projects with storage systems selling power within the state shall 100% exemption from transmission charges for a period of 10 years from the date of commissioning of the project. The details of the exemption shall be specified in the bidding document. Provided that the transmission losses are fully applicable for both third parties as well as captive solar project within the state.”*



The above mentioned clause does not specify minimum storage capacity with referenc eto the capacity of the overall solar project. For instance, can a 100 MW Solar project with just 1 MWh storage system would also qualify for full exemption. The minimum capacity of storage system should be mentioned in the draft regulation for 100% exemption to be valid.

Alternatively, a prorated exemption can be specified, wherein it is linked with the proportion of storage to the total capacity of the solar project.

The above should also provide for projects selling part of the electricity generated outside the state. In such cases, only the power consumed within the state may quality for the exemption. This would enable higher investment in the state, wherein economies of scale can benefit the projects with larger capacity.