

The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022

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The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022¹

In exercise of the powers conferred by sub-section (1) read with clause (z) of sub-section (2) of Section 176 of the Electricity Act, 2003 (Act 36 of 2003), the Central Government hereby makes the following rules, namely—

1. Short title and commencement.—(1) These rules may be called the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.—(1) In these rules, unless the context otherwise, requires—

- (a) “Act” means the Electricity Act, 2003 (36 of 2003);
- (b) “entity” means any consumer who has contracted demand or sanctioned load of 100 kW or more except for captive consumers:

Provided that in case of captive consumers there shall not be any load limitation;

- (c) “forum of regulators” means the forum as referred to in sub-section (2) of Section 166 of the Act.
- (d) “green energy” means the 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 from time to time and shall also include any mechanism that utilises green energy to replace fossil fuels including production of green hydrogen or green ammonia as per provision of clause G of sub-rule (2) of Rule 4;
- (e) “obligated entity” means the entities mandated under clause (e) of sub-section (1) of Section 86 of the Act to fulfill Renewable Purchase Obligation, which includes distribution licensee, captive user, and open access consumer.

(2) The words and expressions used and not defined herein but defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Applicability.—This rules shall be applicable for generation, purchase and consumption of green energy as defined under clause (c) of Rule 2, including the energy from Waste-to-Energy plant.

1. Ministry of Power, Noti. No. G.S.R. 418(E), dated June 6, 2022 and published in the Gazette of India, Extra., Part II, Section 3(i), dated 6th June, 2022, pp. 6-9, No. 397

4. Renewable Purchase Obligation.—(1) On and from the date of commencement of these rules, there shall be an uniform renewable purchase obligation, on all obligated entities in area of a distribution licensee.

(2) Any entity, whether obligated or not may elect to generate, purchase and consume renewable energy as per their requirements by one or more of the following methods—

- (A) *Own Generation from renewable energy sources.*—There shall not be any capacity limit for installation of power plants from renewable energy sources, by entities for their own consumption and such plants may be set up at any location in India and power shall be transmitted by using open access:

Provided that the generating plant may be set up by the entity itself or by a developer with which the entity enters into a power purchase agreement.

- (B) By procuring Renewable Energy through Open Access from any Developer either directly or through a trading licensee or through power markets.

Explanation: (1) Developer means the generating company who generate electrical energy from renewable sources of energy.

(2) Trading Licensee means a person who has been granted a licence by appropriate commission, for purchase of electricity for resale thereof.

- (C) *By requisition from distribution licensee.*—(a) Any entity may elect to purchase green energy either upto a certain percentage of the consumption or its entire consumption and they may place a requisition for this with their distribution licensee, which shall procure such quantity of green energy and supply it and the consumer shall have the flexibility to give separate requisition for solar and non-solar;

(b) The consumer may purchase on a voluntary basis, more renewable energy, than he is obligated to do and for ease of implementation, this may be in steps of Twenty five per cent and going upto Hundred per cent;

(c) The tariff for the green energy shall be determined separately by the Appropriate Commission, which shall comprise of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy;

(d) Any requisition for green energy from a distribution licensee shall be for a minimum period of one year;

(e) The quantum of green energy shall be pre-specified for at least one year;

(f) The green energy purchased from distribution licensee or from Renewable Energy sources other than distribution licensee in excess of Renewable Purchase Obligation of obligated entity shall be counted

towards Renewable Purchase Obligation compliance of the distribution licensee;

(g) The Accounting of renewable energy supplied at distribution licensee level shall be on a monthly basis;

(D) By consuming green energy from captive power plant.

(E) By purchasing of renewable energy certificates in accordance with the applicable regulations.

(F) *Purchase of green hydrogen or green ammonia.*—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.

(G) Any other sources, as may be, determined by the Central Government.

5. Green Energy Open Access.—(1) To provide Green Energy Open Access to consumers of green energy, the appropriate Commission may, if necessary, amend the relevant regulations made by it and such regulations shall be consistent with these rules.

(2) All applications for open access of green energy in this regard shall be allowed by the nodal agency within a period of fifteen days:

Provided that only consumers who have contracted demand or sanctioned load of hundred kW and above shall be eligible to take power through Green Energy Open Access and there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access:

Provided further that reasonable conditions such as the minimum number of time blocks, which shall not be more than twelve time blocks, for which the consumer shall not change the quantum of power consumed through open access may be imposed so as to avoid high variation in demand to be met by the distribution licensee.

6. Nodal Agency.—(1) A Central Nodal Agency shall be notified by the Central Government to set up and operate a single window green energy open access system for renewable energy.

(2) The Central Nodal agency shall set up a centralised registry for all Green Energy Open Access consumers and all the applications related to green energy open access shall be submitted on the portal set up by the said the Central Nodal Agency and these applications shall get routed to the concerned nodal agency notified by the Appropriate Commission for grant of green energy open access.

(3) The Appropriate Commission shall notify the appropriate Load Despatch Centre as the nodal agency for grant of green energy open access for short term, to be defined by the Appropriate Commission, and the State or Central Transmission

Utility, as the case may be, as the nodal agency for grant of Green Energy Open Access, for medium and long term.

(4) The nodal agencies shall make available all relevant information regarding green energy open access to the public on the portal of the Central Nodal Agency.

7. Procedure for grant of Green Energy Open Access.—(1) The Central Nodal Agency shall prepare, within a period of sixty days of commencement of these rules, a common application format for the Green Energy Open Access in consultation with the Forum of Regulators and applications for the Green Energy Open Access shall be made in this format.

(2) All the applications for the Green Energy Open Access complete in all respects, shall be submitted on the portal set up by the Central Nodal Agency.

(3) The concerned nodal agency shall, by an order in writing, approve the applications for the Green Energy Open Access within a period of fifteen days, failing which it shall be deemed to have been approved subject to the fulfillment of the technical requirements as specified by the appropriate Commission:

Provided that the order of processing of such applications for Green Energy Open Access shall be first in first out.

(4) The Short term and medium term open access shall be allowed, if there is sufficient spare capacity available in the transmission system without any augmentation whereas for long term open access, the transmission system may be augmented if required:

Provided that priority shall be given to long term in the existing system if spare capacity is available and further, open access for non-fossil fuel sources shall be given priority over the open access from the fossil fuel.

Explanation: For the purposes of this rule, the expression “Fossil Fuel” includes the fuels such as coal, lignite, gas, liquid fuel or combination of these as its primary source of energy, which are used in Thermal Generating Station for generating electricity.

(5) No application for open access shall be denied unless the applicant has been given an opportunity of being heard in the matter and all orders denying open access shall be speaking orders.

(6) Appeals against an order of the concerned nodal agency, shall lie before the Appropriate Commission, within a period of thirty days from the date of receipt of order under sub-rule (4) of Rule 7.

(7) The Appropriate Commission shall dispose the appeal within a period of three months and the order issued by it, shall be binding on the parties.

8. Banking.—(1) Banking shall be permitted at least on a monthly basis on payment of charges to compensate additional costs, if any, to the distribution licensee by the Banking and the Appropriate Commission shall fix the applicable charges.

(2) The permitted quantum of banked energy by the Green Energy Open Access consumers shall be at least thirty percent of the total monthly consumption of electricity from the distribution licensee by the consumers.

Explanation: For the purposes of this rule, the expression "Banking" means the surplus green energy injected in the grid and credited with the distribution licensee energy by the Green Energy Open Access consumers and that shall be drawn along with charges to compensate additional costs if any:

Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit of energy banked during the month shall be adjusted during the same month.

9. Charges to be levied for Open Access.—(1) The charges to be levied on Green Energy Open Access consumers shall be as follows—

- (a) Transmission charges;
- (b) Wheeling charges;
- (c) Cross subsidy Surcharge;
- (d) Standby charges wherever applicable; and
- (e) No other charges except the charges above, shall be levied.

(2) The Cross subsidy surcharge shall be as per the provisions of tariff policy notified by the Central Government under the Act:

Provided that the cross subsidy surcharge for Green Energy Open Access Consumer purchasing green energy, from a generating plant using renewable energy sources, shall not be increased, during twelve years from the date of operating of the generating plant using renewable energy sources, by more than fifty percent of the surcharge fixed for the year in which open access is granted;

Provided further that the additional surcharge shall not be applicable for Green Energy Open Access Consumers, if fixed charges are being paid by such a consumer:

Provided also that cross subsidy surcharge and additional surcharge shall not be applicable in case power produced from a Waste-to-Energy plant is supplied to the Open Access Consumer:

Provided also that Cross subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia. (3) The cross subsidy surcharge payable by a consumer shall be such as to meet the current level of cross subsidy within the area of supply of the distribution licensee.

(4) The standby charges, wherever applicable, shall be specified by the State Commission and such charges shall not be applicable if the Green Energy Open Access Consumers have given notice, in advance at least twenty four hours before the time of delivery of power, for standby arrangement to the distribution licensee:

Provided that the applicable standby charges shall not be more than Ten per cent of the energy charges applicable to consumer tariff category.

Explanation: For the purposes of this rule,

- (i) the expression “standby charges” means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumer is unable to procure power from the generating sources with whom they have the agreements to procure power due to outages of generator, transmission assets and the like.
- (ii) It is hereby clarified that in such situations the open access consumer has to take power from an alternate sources like the distribution licensee and the charges for maintaining standby arrangements for such consumers should be reflective of the costs incurred by distribution licensee for providing these support services.

10. Green certificate.—The distribution licensee shall give green certificate on yearly basis to the consumers for the green energy supplied by the licensee to consumer on his request beyond the renewable purchase obligation of the consumers.

11. Rating.—The State Commission may introduce the concept of rating of the consumer of the distribution licensee, based on the per cent of green energy purchased by such consumer.

12. Model regulation on methodology.—(1) In order to have a common methodology for calculation of all the open access charges, the forum of regulators shall prepare a model regulations on methodology for calculation of open access charges, as well as banking charges within a period of four months from the date of commencement of these rules.

(2) The framing of methodology referred to in sub-rule (1), of the forum of regulators shall ensure that various permissible charges are not be onerous and shall meet the prudent cost of the distribution licensee in order to fulfil the objective of promoting the procurement of green energy by Green Energy Open Access Consumers.
