

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
PLOT NO.3, MADHYA MARG, SECTOR 18-A, CHANDIGARH**

**ORDER
DATE: 31.05.2023**

**In the matter of
Punjab State Electricity Regulatory Commission (Terms and Conditions for
Intra-State Open Access) (10th Amendment) Regulations, 2022**

I. Brief Background:

The Ministry of Power vide notification dated 06.06.2022 notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 in order to further accelerate MOP's ambitious renewable energy programmes, with the objective of ensuring access to affordable, reliable, sustainable and green energy for all. The salient features of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 are as under:

- i. These rules are notified for promoting generation, purchase and consumption of green energy including the energy from Waste-to-Energy plants.
- ii. The Green Energy Open Access is allowed to any consumer with a sanctioned contract demand/load of 100 kW and above, to enable small consumers also to purchase renewable power through open access.
- iii. 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 methods prescribed in Rule 4(2).
- iv. These Rules will also streamline the overall approval process for granting open access. Time bound processing by bringing uniformity and transparency in the application as well as approval of open access through a national portal has been mandated. Approval for Green Open Access is to be granted in 15 days or else it will be deemed to have been granted.
- v. Provide certainty on open access charges to be levied on Green Energy Open Access Consumers which includes transmission charges, wheeling charges, cross-subsidy surcharge and standby charges. Cap on increasing of cross-subsidy surcharge as well as the removal of additional surcharge, incentivize the consumers to go green.
- vi. There shall be a uniform Renewable Purchase Obligation (RPO), on all obligated entities in area of a distribution licensees. Green Hydrogen/Green Ammonia has also been included for fulfilment of its RPO.
- vii. 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.

In view of the above, the Commission issued the following draft notification for amendment in the Open Access Regulations:

- i. Draft Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) (10th Amendment) Regulations, 2022

A public notice was issued in the newspapers dated 23.11.2022 and also published the notice on the website of the Commission, inviting suggestions/objections of the public and stakeholders on the proposed amendments. In response to the above, 12 no. of objections were received from the following objectors: -

1. Renew Power Private Limited (Objector No.1)
2. PSTCL (Objector No.2)
3. M/s ITC Limited (Objector No.3)
4. PEDDA (Objector No.4)
5. ITC Limited (Objector No.5)
6. M/s Manikaran Power Limited (Objector No.6)
7. M/s Reliance Industries (Objector No.7)
8. Punjab Hydro Power Pvt Limited (Objector No.8)
9. Vardhman Textiles (Objector No.9)
10. HMEL MITTAL ENERGY LIMITED (Objector No.10)
11. PSPCL (Objector No. 11)
12. Steel Furnace Association (Objector No. 12)

The Public Hearing in this respect was held by the Commission on 18.01.2023. PSPCL submitted its reply on the objections vide letter dated 18.01.2023, 06.02.2023 and 16.02.2023. PSTCL submitted the reply to objections vide letter dated 21.02.2023.

II. Summary of Objections received:

The provision wise objections/suggestions/comments received on the draft amendments alongwith PSPCL's/PSTCL's reply on the same have been summarised as under:

1. Amendments in Regulation 3 of the Principal Regulations – Definitions

a) Regulation 3(1) (www) “Standby power”:

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

i) PEDDA (Objector No. 4)

The definition of (www) Standby Power is different in PSERC Harnessing of CPP Power Regulations 2022 and in the proposed draft.

PSPCL's and PSTCL's Reply: -

The matter falls under the purview of the Commission.

Commission's Analysis and Decision:

The definition of Standby power in the PSERC CPP Regulations, 2022 specifies standby power as the power required in case of planned or forced outage of the CGP. However, the Open Access Regulations is applicable to consumer, an electricity trader, distribution licensee or a generating company/station (including a captive generating plant) who has applied for open access including connectivity, if not already connected and not limited to just Captive generators hence the variation in definition.

b) Regulation 3(1) (aaa) “Admissible drawl” :

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

i) HMEL MITTAL ENERGY LIMITED (Objector No. 10):

Admissible drawl of the open access customer shall be the entitlement / Implemented schedule of open access customer during any time block of the day shall be from the distribution licensee as per the provisions of these Regulations.

PSPCL’s Reply:

The entitlement in a time block is based on the open access schedule and sanctioned contract demand of open access consumer and there is no implemented schedule for drawal of power form distribution licensee.

As such the comment/suggestion is irrelevant and the provision in proposed regulation may be retained.

PSTCL’s Reply: -

The entitlement in a time block is based on open access schedule & sanctioned contract demand

Commission’s Analysis and Decision:

The definition of Admissible Drawal as proposed in the notification is ok and self-explanatory and no changes proposed.

c) Regulation 3(1) (ccc) “Banking”

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

i) RENEW POWER (Objector No. 1)

The proposed clause makes provision for banking of energy scheduled into the grid, which gives a sense that the facility of banking will be available for consumers procuring power from inter or intra state projects.

The Commission is requested to specify that the energy banking facility will also be available for consumers procuring power from inter-state projects.

PSPCL's Reply: -

Though it is apprehended that the Banking facility is applicable for consumers/captive users availing RE power either from RE Generator located within the state or from outside the state, yet the same may be clarified by the Commission.

PSTCL's Reply: -

It is agreed that Banking Facility is extended to green energy-based power projects irrespective of nature of transaction i.e. inter-state and intra-state. Yet the same may be clarified from the Commission.

Commission's Analysis and Decision:

Since, Clause 2 "Extent of Application" of main O.A regulation 2011 clearly specifies that the these regulations shall apply to open access for use of **intra-State transmission** system and/or distribution systems of the licensees in the State, including when such system is used in conjunction with **inter-State transmission system** clearly implies that open access can be availed from any source within or outside the State, and also the definition of banking or other provisions related to banking as specified in the notification provides no such bar, hence it is understood that energy banking facility will be available for consumers procuring power from either intra-state or inter-state projects.

ii) PEDA (Objector No. 4)

The word "this Regulation" need to be replaced with the words "these Regulations to cover other clauses regarding banking facility.

PSPCL's and PSTCL's Reply: -

Agreed.

Commission's Analysis and Decision:

The suggestion of the objector in this regard is **accepted and draft notification is accordingly modified as under:**

*"3(1) (ccc) "**Banking**" means the energy scheduled and injected into the grid and credited with the distribution licensee which shall be drawn later on such terms and conditions as may be approved by the Commission under these Regulation."*

d) Regulation 3(1) (ee) "Central Nodal Agency":
No objections/suggestion received.

e) Regulation 3(1) II) "Full Open Access Customer":

No objections/suggestion received.

f) Regulation 3(1) III) “Green Energy” :

No objections/suggestion received.

g) Regulation 3(1) IIII) “Green Energy Open Access”:

No objections/suggestion received.

h) Regulation 3(1) IIIII) “Green Energy Open Access Consumer”:

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PSTCL (Objector No. 2)

The word “person” may be substituted with “Partial Open Access Customer”, as only Partial open access customer shall have contract demand sanctioned by the distribution licensee.

After " Except for captive consumers", the words i.e. "for whom there shall be no limit of sanctioned contract demand" may be added.

The definition of open access customer may be amended as under (for sake of clarity):

t) “Open access customer” means an applicant who has been granted open access under these regulations and shall include Generator, Full Open Access Consumer including deemed licensee, Partial Open Access Consumer and Green Energy Open Access Consumer;

The above clause shall ensure that until specifically mentioned the charges and conditions stipulated for open access customers shall also apply to all open access consumers including Green Energy Open Access Consumers.

PSPCL’s Reply: -

Agreed.

Commission’s Analysis and Decision:

The proposed definition is in line with that proposed in the FOR Model Regulation on Methodology for calculation of Open Access charges and Banking charges for Green Energy Open Access Consumers.

The second suggestion has already been incorporated in Regulation 10 of the Principal Regulations- ‘Eligibility for Open Access and conditions to be satisfied’

With regards to amendment in the definition of Open Access Customer it is clarified that as per the PSERC OA Regulations “Open access

customer” means an applicant who has been granted open access under these regulations, which implies that the same is applicable to all the categories suggested by the objector and the applicable charges have already been specifically defined in chapter 5 of the Principal OA regulations

ii) PEDA (Objector No. 4)

The definition of “Green Energy Open Access Consumer” grants the facility of open access to only consumers.

PSPCL’s and PSTCL Reply: -

Agreed

Commission’s Analysis and Decision:

This is in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022.

iii) PSPCL (Objector No. 11)

The word "person" may be substituted with "Partial Open Access Customer", as only Partial open access customer shall have contract demand sanctioned by the distribution licensee.

After" Except for captive consumers", the words i.e. "for whom there shall be no limit of sanctioned contract demand" may be added.

PSTCL’s reply:-

Agreed

Commission’s Analysis and Decision:

The proposed definition is in line with that proposed in the FOR-Model Regulation on Methodology for calculation of Open Access charges and Banking charges for Green Energy Open Access Consumers.

The second suggestion has already been incorporated in Regulation 10 of the Principal Regulations- ‘Eligibility for Open Access and conditions to be satisfied’

i) Regulation 3(1) (t) “Partial Open access customer”:

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PEDA (Objector No. 4)

Also, the definition “Partial Open Access Customer” needs to be titled as “Partial Open Access Consumer” as it is a consumer of the Discom also.

PSPCL’s and PSTCL’s Reply: -

Agreed

Commission’s Analysis and Decision:

In the PSERC DSM Regulation, 2020, “Partial Open Access Consumer has been defined. Accordingly, to be in line with the PSERC DSM Regulations, 2022, the suggestion of the objector with regards to replacement of “Partial Open Access **Customer**” with “Partial Open Access **Consumer**” is accepted.

ii) PSPCL (Objector No. 11)

The definition of open access customer may be amended as under (for sake of clarity)

t) "**Open access customer**" means an applicant who has been granted open access under these regulations and shall include Generator, Full Open Access Consumer including deemed licensee, Partial Open Access Consumer and Green Energy Open Access Consumer;

The above clause shall ensure that until specifically mentioned the charges and conditions stipulated for open access customers shall also apply to all open access consumers including Green Energy Open Access Consumers.

PSTCL’s Reply: -

Agreed

Commission’s Analysis and Decision:

With regards to amendment in the definition of Open Access Customer it is clarified that as per OA Regulations “Open access customer” means an applicant who has been granted open access under these regulations, which implies that the same is applicable to all the categories suggested by the objector and the applicable charges have also been specifically defined in Chapter 5 of the Principal OA regulation.

2. Amendment in Regulation 10 of the Principal Regulations- Eligibility for Open Access and conditions to be satisfied

a) Regulation 10(3)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PSTCL (Objector No. 2) and PSPCL (Objector No. 11)

The word “consumers” may be substituted with “Partial Open Access Customers”, as only Partial open access customer shall have contract demand sanctioned by the distribution licensee.

The minimum requirement of only 100 kW for open access is very low. This would adversely affect the distribution licensee in its revenue requirements, without any remedy of recovery of such amounts. The phrase that "there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access" may be deleted from the proviso as the supply of power for the captive

consumers taking power under Green Energy Open Access is always limited by technical constraints based on existing margins in transmission/ distribution system.

The value of Power Factor (i.e. 0.9 or any other value as specified by the Commission) may be defined for converting KVA into KW.

If the Power factor of 0.9 is retained, the Sanctioned Contract Demand for Green Energy Open Access Consumer should be 111.11 kVA for 100 kW (instead of 100 kVA).

PSPCL'S Reply: -

The word "consumers" may be substituted with "Partial Open Access Customers", as only Partial open access customer shall have contract demand sanctioned by the distribution licensee.

The minimum requirement of only 100 kw for open access is very low. This would adversely affect the distribution licensee in its revenue requirements, without any remedy of recovery of such amounts. **The phrase that "there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access" may be deleted** from the proviso as the supply of power for the captive consumers taking power under Green Energy Open Access is always limited by technical constraints based on existing margins in transmission/ distribution system. As such the captive user shall not be **allowed to install plant capacity more than Contract Demand.**

Commission's Analysis and Decision:

The word 'consumers' itself is applicable to only those which have sanctioned contract demand with the distribution licensee.

Further, the phrase that "there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access" is in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 and no changes are being made.

Since for consumer category having load more than 100 kW, the Commission has approved kVAh based tariff and for these consumers contract demand is applicable, hence, the eligibility criteria of sanctioned contract demand of 100kVA and above specified has been made in the notified amendment. Further, the issue of Power Factor is not under the scope of current amendments and shall be taken up separately and PSTCL may raise the same while making necessary amendment in Procedure for LTA/MTOA and Procedure of STOA in line with the amendments in these Regulations.

ii) MANIKARAN POWER LIMITED and PUNJAB HYDRO POWER PVT. LTD. (Objector No. 6 & 8)

As per amendment in Regulation 10, Green Energy Open Access is allowed for the consumers with CD of 100kVA but the minimum quantum which need to be scheduled is not stated,

PSPCL's and PSTCL's reply: -

Regulation 10 relates to the eligibility criteria for Open Access. The scheduling part has already been covered under Regulation 28.

Commission's Analysis and Decision:

Refer Commission's decision in Para 2 (a)(i) above

3. Amendment in Regulation 15 of the Principal Regulations- Application procedure for Open Access

a) Regulation 15(1)

No objections/suggestions received.

b) Regulation 15(3)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PSTCL (Objector No. 2)

- Under clause 15(3), The words "**For availing Long Term Access, MTOA, STOA at Inter-State & Intra-State level**" may be added after the words "**In case of all applications for green energy open access**".

- As per proposed clause for Green Energy Open Access, Green Energy Open Access Consumers are exempted to pay application fee and to submit certain documents which are required to process the application by SLDC/PSPCL as Green Energy Open Access Consumers will directly apply on GOAR portal.

As such, certain conditions (w.r.t. prior registration on SLDC web portal and applying for open Access with requisite documents and application fee as prescribed for other open access consumers) may also be imposed on Green Energy Open Access Consumers before applying on GOAR Portal for timely processing of application by SLDC.

- Under Sr. No. (ii) of proposed regulation 15.3, other provisos may be added i.e.

"Provided further that the timeline of 15 days shall not be applicable in cases, where the Green Energy Open Access is being applied first time and/ or adequate metering

infrastructure is not in place.

Provided further that the timeline of 15 days shall not be applicable for grant of MTOA and LTA, which shall be granted within the timelines mentioned in regulation 15.2 (as, applicable for other open access consumers)”

- The timeline of 15 days needs to be reviewed in case of processing of MTOA and LTA cases, in line with the provisions of open access regulations, as applicable to other open access consumers, especially due to the time required for system studies/ load flow studies prior to grant of LTA/ MTOA and time required for augmentation of transmission/ distribution system in case of LTA, if required.
- **As such, in case of Inter State Short Term Open Access Applications, prior to applying on NOAR portal, conditions for applying to SLDC with certain documents and application fee may be prescribed in the regulations for timely processing of applications by SLDC on NOAR portal.**

PSPCL's Reply:-

Agreed

Commission's Analysis and Decision:

All the above provisions in the notification are in line with the with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. Further, POSOCO has been designated as the Central Nodal Agency (CNA) vide Extra ordinary Gazette dated 08th July, 2022 which has issued the procedure for Green Energy Open Access which addresses the issues raised by the objector. Accordingly, no changes required.

ii) RELIANCE (Objector No. 7)

Request to incorporate suitable provision in the Regulation to define a verifying agency/competent authority w.r.t power sourcing from a captive generator situated in the other state.

The current regulations do not define a verifying agency/competent authority for grant of captive status to generators situated in other states or connected to CTU and who is willing to supply power to a consumer connected to distribution or transmission network within the State of Punjab.

The Status of the such captive generators as verified by the respective state commission or any competent state/central authority or notification by CEA may be taken as the basis for granting open access to a consumer in the state of Punjab and who is willing to source power from these generators under captive arrangement. The Commission, is requested to incorporate suitable provisions in the Regulations to allow such open Access transactions.

The consumers in the State of Punjab would be able purchase the

electricity from the green energy sources located outside the state of Punjab under captive arrangement and would also be able to fulfil their RPO obligation.

PSPCL's Reply: -

The suggestions are contradictory to the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol and prevailing Open Access Regulations issued by the Commission & CERC.

PSTCL's Reply-

No Comments, Relates to PSPCL

Commission's Analysis and Decision:

The comments are regarding status of captive generators and not related to Open Access Regulations. However, MOP vide notification dated 11.04.2023 has decided CEA as the verification authority for those captives generating plant which are located in one State and its captive consumers are located in other State(s).

Further, the Commission vide Order dated 07.05.2023, has approved the Procedure for verification of Captive Generating Plant (CGP) status in accordance with the requirements of Rule 3 of the Electricity Rules, 2005 read with PSERC (Harnessing of Captive Power Generation) Regulations, 2022.

4. Amendment in Regulation 26 of the Principal Regulations- Cross subsidy surcharge

a) Regulation 26(1)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) RENEW POWER (Objector No. 1)

Cross-Subsidy surcharge should be exempted for Green Energy Open Access projects

PSPCL's and PSTCL's Reply: -

The provision in draft regulation is already in line with Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol. However, the matter comes under the purview of the Commission.

Commission's Analysis and Decision:

The above provisions in the notification are in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022. And no changes made.

ii) PEDAs (Objector No. 4)

The proposed addition to Regulation 26(1) covers only increase in the surcharge. The provision needs to cover the reduction in Cross Subsidy Surcharge as per tariff Order, if any during the twelve years period.

PSPCL's reply: -

Refer PSPCL's reply in Para 4 a) i) above.

PSTCL's reply: -

Relates to PSPCL.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 4 a) i) above.

iii) MANIKARAN & PUNJAB HYDRO POWER PVT. LTD. (Objector No. 6 & 8)

It is suggested to remove the 12-year operating, period for CSS waiver and moreover the clause should also be applicable through exchange/Bilateral market value, where there is a possibility of variation of schedule (mainly due to price and transmission capacity availability) if final volume like 6MW gets scheduled for a certain number of Time blocks and 10MW for the rest. Then the maximum admissible drawl from DISCOM will be equal to $(12-10)=2$ MW only, and hence the OA consumer can't draw the uncleared quantum of $(10-6)=4$ MW from DISCOM for that day for those many number of time blocks, which can discourage consumers participating in Open Access and the consumers will need to always ensure uniform RTC schedule which in fact will not be technically feasible for all C&I consumers.

Rather the clause should allow the drawl from DISCOM in case of less scheduled power from open access with the applicability of payment of Stand-by Charges.

PSPCL's and PSTCL's reply: -

The suggestion/proposal is against the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

The Cross-Subsidy Surcharge is based on the tariff of respective (cross subsidizing) consumer category and the same is not at all related to the type of generator (Whether RE or otherwise) under open access. The loss of cross subsidy for Distribution Licensee is same for all open access transactions for a consumer category whether power is sourced from Green Energy generator or conventional generator.

PSPCL is already against the capping of Cross-Subsidy Surcharge up to 12 years for Green Energy Open Access and is totally against the exemption of Cross Subsidy Surcharge for Green Energy Open Access, as the revenue loss due to loss of cross subsidy will ultimately be borne by the common consumers by the way of increase in tariff.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 4 a) (i) above.

iv) HMEL MITTAL ENERGY LIMITED (Objector No. 10)

Provided also that the cross-subsidy surcharge for Green Energy Open Access Consumer purchasing green energy, from a generating plant using renewable energy sources **located within the state or outside of the state**, 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 also that Cross subsidy surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia, **either it is sourced from a project located in the state or from outside of the state.**

PSPCL's Reply:-

Refer PSPCL's Reply in Para 4a) iii) above

PSTCL's reply:-

No Comments

Commission's Analysis and Decision:-

Refer the Commission's Decision in Para 4a) (i) above.

v) PSPCL (Objector No. 11)

The Cross-Subsidy Surcharge is based on the tariff or respective (cross-subsiding) consumer category and the same is not at all related to the type of generator (Whether RE or otherwise) under open access. The loss of cross subsidy for Distribution Licensee is same for all open access transactions for a consumer category whether power is sourced from Green Energy generator or conventional generator. As such, the capping of Cross-Subsidy Surcharge upto 12 years for Green Energy Open Access is not justified as the revenue loss due to loss of cross subsidy will ultimately be borne by the common consumers by the way of increase in tariff.

PSTCL's Reply: -

No Comments.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 4 a) (iii) above.

Further, MOP vide Notification dated 27.01.2023 issued the Electricity (Promotion Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023. In view of the same the draft 4th Proviso in Regulation 26(2) of the draft notification is proposed to be amended as under:

"Provided also that cross subsidy surcharge shall not be applicable in case power produced from a non-fossil fuel based Waste-to-Energy plant is supplied to the Open Access Consumer"

Further, Rule 13 of the Electricity Amendment Rules, 2022 notified

by MOP on 29.12.2022 provides as under:

“13. Surcharge payable by Consumers seeking Open Access.-The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 shall not exceed twenty per cent of the average cost of Supply.

In view of the above it is proposed that the following new clause be added to Regulation 26 of the PSERC OA Regulations, 2011

“26 (6) Further, the cross-subsidy surcharge, payable by the open access consumer shall not exceed twenty per cent of the average cost of Supply.”

b) **Regulation 26(2)**

No objections/suggestions received.

However, there is a typo error in the draft notification which is proposed to be rectified and accordingly, Regulation 16(2) be replaced with Regulation 26(2).

5. **Amendment in Regulation 27 of the Principal Regulations- Additional Surcharge**

a) **Regulation 27(2)-**

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) **RENEW POWER (Objector No. 1)**

The Commission is requested to clarify the term fixed charges used here corresponds only to the demand charges paid to the DISCOM and no other charge.

PSPCL's Reply: -

Though it is apprehended that the Additional surcharge shall not be applicable for consumers paying all types of applicable fixed charges as determined by the Commission, yet the same may be clarified by the Commission.

However, it is added that PSPCL is against the provisions of such exemption as the Additional Surcharge is not related to the fixed charges payable by a consumer as per its Tariff but based on the fixed cost of distribution licensee arising out of his obligation in terms of capacity of PPAs, which has been and continues to be stranded due to rise in open access in the state (whether RE or Non-RE). There should be no exemptions/ benefits allowed for promoting green energy open access especially at cost of distribution licensee and its ultimate consumers. In fact, additional surcharge is provided to be exempt, which will only further increase the burden on the consumers at large in the State of Punjab.

Commission's Analysis and Decision:

The above provisions in the notification are in line with the with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022.

Further, MOP vide Notification dated 27.01.2023 issued the Electricity (Promotion Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023. In view of the same the draft 3rd Proviso in Regulation 27(2) of the draft notification is proposed to be amended as under:

“Provided also that additional surcharge shall not be applicable in case power produced from a non-fossil fuel based Waste-to-Energy plant is supplied to the Open Access Consumer:

Provided also that additional surcharge shall not be applicable in case electricity produced from offshore wind projects, which are commissioned upto December, 2025 and supplied to the Open Access Consumer.”

Further, the exemption of additional surcharge is applicable in case of partial open access consumers whose open access is within the limit of sanctioned contract demand, since in such cases the OA consumers shall pay the fixed charges to the consumers for its sanctioned CD. However, in cases where the open access to a consumer is allowed over and above the sanctioned contract demand, such consumers shall be paying Fixed Charges to the Discom for sanctioned CD only, hence such consumers cannot be covered under the ambit of the proposed clause. In view of the above following proviso is proposed to be added under the proposed 2nd proviso of Regulation 27 (2) of the Principal Regulations:

“Provided that consumers including green energy open access consumers taking open access over and above the sanctioned contract demand as per the provisions of Regulation 31(2) of the PSERC OA Regulations, 2011 shall be liable to pay Additional Surcharge as payable by Full open access consumers for availing open access beyond the contract demand maintained with the distribution licensee as determined by the Commission under these Regulations.”

ii) MANIKARAN POWER LIMITED & PUNJAB HYDRO POWER LTD. (Objector No. 6 & 8)

As per Amendment in Regulation 27, additional surcharge shall not be applicable for Green Energy Open Access Consumers, if fixed charges are being paid by such a consumer. The provision of paying fixed charges are generally applicable in LTA contracts mainly. Hence, this clause is trying to push the consumers to avail LTA only to get the benefit of 100% exemption from ‘Additional Surcharge’ which is against the competitiveness of short-term power market. Hence our suggestion to modify this clause by excluding the ‘Fixed Charge Payment’ part.

Suggestion: Hence our suggestion to modify this clause by excluding the ‘Fixed Charge Payment’ part

PSPCL's reply: -

The fixed charges are also applicable for the consumers of PSPCL who pay the same as per the tariff approved by the Hon'ble PSERC. As such, it will be inappropriate to mention that this clause is trying to push the consumers to avail LTA only to get the benefit of 100% exemption from Additional Surcharge.

PSTCL's Reply: -

It may be clarified by the Commission in the Regulations that whether Fixed Charges defined under this Regulation pertains to only fixed charges payable to PSPCL by consumers of Distribution Licensee or fixed charges payable under LTA/MTOA Contracts (in case of non-consumers of Distribution Licensee) are also included for giving exemption from additional Surcharge to Open Access Customers.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 5 a) (i) above

iii) HMEL MITTAL ENERGY LIMITED (Objector No. 10)

Provided further that the additional surcharge shall not be applicable for Green Energy Open Access Consumers sourcing power from Green Energy Project located within or outside the state, If the consumers maintain the contract demand with PSPSCL and demand/fixed charges are being paid by such a consumer.

PSPCL's Reply:-

Additional Surcharge is not related to the fixed charges payable by a consumer as per its Tariff but based on the fixed cost of distribution licensee arising out of his obligation in terms of capacity of PPAs, which has been and continues to be stranded due to rise in open access in the state (whether RE or Non-RE). There should be no exemptions/benefits allowed for promoting green energy open access especially at cost of distribution licensee and its ultimate consumers. In fact, additional surcharge is provided to be exempt, which will only further increase the burden on the consumers at large in the State of Punjab. Further, the location of the generating plant either within the state or outside the state may be clarified from Hon'ble PSERC.

PSTCL's Reply: -

It may be clarified by the Commission in the Regulations that whether Fixed Charges defined under this Regulation pertains to Only Fixed Charges payable to PSPCL by Consumers of Distribution Licensee or fixed charges payable under LTA/MTOA Contracts (in case of non-consumers of Distribution Licensee) are also included for giving exemption From Additional Surcharge to Open Access Customers.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 5 a) (i) above.

iv) PSPCL (Objector No. 11)

The Additional Surcharge is not related to the fixed charges payable by a consumer as per its Tariff but based on the fixed cost of distribution licensee arising out of his obligation in terms of capacity of PPAs, which has been and continues to be stranded due to use in open access in the state (whether RE or Non- RE). There should be no exemptions/benefit allowed for promoting green energy open access especially at cost of distribution licensee and its ultimate consumers. In fact, additional surcharge is provided to be exempt, which will only further increase the burden on the consumers at large in the State of Punjab.

PSTCL's Reply: -

No Comments.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 5 a) (i) above

6. Amendment in Regulation 27A of the Principal Regulations- Standby Charges

a) Regulation 27 A(3)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PEDDA (Objector No. 4) and STEEL FURNACE ASSOCIATION OF INDIA (Objector No. 12)

There is no reason to charge higher amount for availing standby power for extended period. It needs to be appreciated that there is problem in operation of Green Energy generating plants due to technology risks, infirm generation, fuel rates and availability, degradation of equipment etc. Therefore, any limitation of the period is uncalled for and facility of standby power need to be extended at the same rate of Rs. 35/- per KVA per month whenever required throughout the year.

PSTCL and PSPCL's reply: -

Provision already exists in PSERC (Harnessing of Captive Power) Regulation, 2022 and the comments/suggestions are contrary to the provisions of the said regulation.

Commission's Analysis and Decision:

The Commission has already deliberated the issue in its Order dated 27.10.2022 with regards to approval of CPP Regulations. Further, the clause is as per the provisions of PSERC (Harnessing of Captive Power) Regulation, 2022 which have been finalised after following the laid down procedure. Accordingly, no changes made.

ii) PSPCL (Objector No. 11)

There may be instances when no power is wheeled/scheduled on account of outage/shutdown of the generator or due to some interruption in distribution system of the CPPs or in other transmission line or grid. In that eventuality the CPPs would take electricity from the

petitioner and for that situation the PSPCL is entitled to recover stand by charges as PSPCL has universal obligation for supply of electricity. Even, Forum of Regulations in Model Open Access Regulations, 2010 has stipulated that standby arrangements should be provided by the distribution licensee for a maximum period of 42 days in a year. Similar provisions also exist in the other states such as Gujarat, Rajasthan and Delhi.

Further, the plant closure/outages can be worked out based on Plant Availability Factor instead of Plant Load Factor (PLF). As the plant availability factor of generators generally ranges between 85 to 90%, the forced/planned outages are generally in the range of 10 to 15%. The maximum period of 42 days in a year covers upto 11.5% outage. As such allowing drawl of standby power for more than the aforesaid period shall not be realistic/viable.

PSTCL's Reply: -

Matter comes under the jurisdiction of the Commission.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 6 a) (i) above.

b) Regulation 27 A(4)

No objections/suggestion received.

c) Regulation 27 A(5)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) HMEL MITTAL ENERGY LIMITED (Objector No. 10)

The Commission is requested to relax the 1.25 times extra charge on Fixed Charges and Energy Charges till the time the total drawl of green energy open access consumer including the drawl from PSPCL and Open Access is limited to the Sanction Demand allowed to Consumer. Further, considering the infirm nature of generation from wind and solar resources and high volatility in generation due to weather and other technical reasons, it is very difficult to get accurate forecast at least 24 hours before the time of delivery of power, hence the Commission is requested to allow the Green Energy Open Access Consumer to provide the schedule to the distribution licensee at least 6 time block ahead of the actual delivery for standby arrangement by the distribution licensee at the same rate applicable to relevant consumer tariff category.

PSPCL's Reply:-

The provision regarding Standby charges is in line with the PSERC (Harnessing of Captive Power Generation) Regulations, 2022.

The standby power can be availed in case of outage of generation source and is not meant to take care of deviations w.r.t. forecast.

The suggestion pertaining to amendment of Regulations comes under

jurisdiction of the Commission.

PSTCL's Reply: -

The provision regarding Standby charges is in line with the PSERC (Harnessing of Captive Power Generation) Regulations, 2022 (notified on dated 27.10.22).

The Stand-by power can be availed in case of outage of Generation Source and not meant to take care of deviations w.r.t. forecast.

Commission's Analysis and Decision:

The proposed amendment is in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023 notified vide Gazette Notification dated 27.01.2023.

Further, in view of the GEOA Amendments Rules, 2023, the proposed draft 4th proviso is proposed to be slightly amended as under:

“Provided also that if the Green Energy Open Access Consumers have given notice, in advance at least a day in advance before gate closure in DAM on 'D-1' day, 'D' being the day of delivery of power, for standby arrangement to the distribution licensee, standby charges shall be applicable at the same rate applicable to relevant consumer tariff category corresponding to the demand slab of total of Standby contract demand and Sanctioned CD (if any).”

d) Regulation 27A (6)(a)(i)

No objections/suggestion received.

e) Regulation 27A (6) (a) (ii)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) STEEL FURNACE ASSOCIATION OF INDIA (Objector No. 12)

The formula to be used for calculation of consumption recorded corresponding to Standby demand is not correct. With this, the total consumption will be bifurcated for regular CD and Standby CD as though standby CD has been availed throughout the billing continuously which is punitive to the CPP Consumer availing power with standby demand. As the data of meter is to be downloaded for working out the UI/DSM charges and actual period of availing standby demand in the billing period, it is requested that actual consumption towards standby above the regular demand during the time blocks of usage of standby power be worked out from the downloaded data. This can be done by developing a software to determine the consumption where the MDI is above the regular CD and feeding the downloaded meter data in the software just like the software for calculation of UI/DSM.

PSPCL's Reply and PSTCL's Reply: -

The same is against the provisions of PSERC (Harnessing of Captive

Power Generation) Regulations, 2022 (notified on dated 27.10.2022). Further, working out stand-by Demand on UI/DSM Pattern shall create complexity. However, the matter comes under the purview of Hon'ble PSERC.

Commission's Analysis and Decision:

The concern raised by the Objector is with regards to CPP and is not part of the present proceedings.

7. Amendment in Regulation 28 of the Principal Regulations- Scheduling

a) Regulation 28 (3)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) MANIKARAN POWER LIMITED and PUNJAB HYDRO POWER LIMITED VARDHMAN TEXTILES LIMITED (Objector No.6 And 8)

As per amendment in Regulation 28(3), Open Access Consumer (except the Green Energy Open Access Consumer) can draw electricity from the DISCOM during any time block of a day should be within the limit of admissible drawl of electricity by that OA consumer from DISCOM by considering the maximum quantum of scheduled quantum through open Access.

It means: Suppose any consumer (having 12 MW CD) participates in Open Access for the maximum OA drawl quantum of 10 MW, but through Exchange/Bilateral Market, where there is a possibility of variation of schedule (mainly due to price and transmission capacity availability) if final volume like 6 MW gets scheduled for a certain number of Time Blocks and 10 MW for the rest. Then the maximum admissible drawl from DISCOM will be equal to $(12-10) = 2$ MW only, and hence the OA consumer can't draw the uncleared quantum of $(10-6) = 4$ MW from DISCOM for that day for those many number of time blocks, which can discourage consumers participating in Open Access and the consumers will need to always ensure uniform RTC schedule which in fact will not be technically feasible for all C&I consumers.

Suggestions: Rather the clause should allow the drawl from DISCOM in case of less scheduled power from open access with the applicability of payment of Stand-by charges.

PSPCL's Reply: -

The comment/suggestion does not relate to the amendment of Regulation 28(3) proposed in regulations pertaining to Green Energy Open Access consumers.

However, it is clarified that open access consumer can always avail the power from DISCOM over and above the admissible drawl by paying the applicable Demand Surcharge (as approved by the Commission in Tariff Order for the respective years).

PSTCL's Reply: -

The suggestion/proposal is against the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, GoI.

Commission's Analysis and Decision:-

The Commission vide Order dated 01.06.2015 in Petition No. 16 of 2013 regarding amendment in Open Access Regulation notified vide No. PSERC/Secy./Reg./57 dated 01.07.2011, through 5th amendment introduced Regulation 28(3) of the OA Regulations, 2011 to put a stop to frequent erratic variation in drawl of power by open access consumers from the Power Exchanges. Allowing random power drawal from the grid on payment of Stand-by charges may result in grid instability

ii) VARDHMAN TEXTILES LIMITED (Objector No. 9)

As per this clause Open Access Consumer (except the Green Energy Open access consumer) can draw electricity from the DISCOM during any time block of a day should be within the limit of admissible drawl of electricity by that OA consumer from DISCOM by considering the maximum quantum of scheduled quantum through Open Access.

In such case suppose any consumer having CD-10 MW and he placed bid for 6 MW on Power exchange or through Bilateral mode as per maximum OA drawl quantum limit and his bid was not cleared in bidding process due to possibility of variation of cleared quantum in bidding process, Bid price factor as per market clearing price, transmission capacity availability etc, and he gets final cleared volume only 2 MW in particular time blocks and in rest 6 MW then he can only avail 4 MW (10-6) through discom network hence the Open Access consumer can't draw the uncleared quantum of 4 MW (6-2) from DISCOM for that day for those many number of time blocks, which can discourage consumers participating in Open Access and the consumers will need to always ensure uniform RTC schedule which in fact will not be technically feasible for all C&I consumers.

It is requested that the clause should allow the drawl from DISCOM in case of less scheduled power from open access with the applicability of payment of Stand-by charges.

PSPCL's reply:

The Commission has approved and notified the clause 28(3) in Open Access regulations as decided in Petition No. 16 of 2013 keeping in view the security of the Grid, the adverse technical impact in absorbing the variable energy input and to safeguard the interest of consumers, after following due process of inviting objections/comments from the public/stakeholders through public notices and after due consideration of the same. While approving the amendment commission has also

agreed that the sudden variation in drawl by the open access consumers in various time slots of the day certainly affects the quality of power supply to other consumers and it is not practically possible for the PSPCL to manage the system efficiently in such load varying situations. In Petition No. 67 of 2016 also, the Open Access Users Association has also prayed for exemption under Clause 28(3) but the Commission had not allowed exemption to the Solar CPPs.

As such PSPCL feels that the proposed Regulation 28(3)(A) is exempting the Green Energy open access consumers from the provisions of Regulation 28(3) (by providing to work out their admissible drawl in each time-block instead of time-block of maximum schedule as prescribed in Regulation 28(3) for other open access consumers).

Though PSPCL is still not in favour of allowing such exemption to Green Energy open access consumers, yet as the facility of banking is to be allowed to these consumers in line with Green Energy Open Access Rules read along with PSERC regulations, PSPCL has no other option but to accept the same.

There needs to be clarification regarding Admissible drawl for Green Energy open Access customer, as for all open access customers the admissible drawl was calculated for the whole day i.e. for 96 time blocks but in case of Green Open Access customers, for ensuring uniform schedule for consecutive 12 time blocks, 8 no. admissible drawls will be calculated.

Example:

For Open Access customer (except Green Open Access Energy customer)

Example: If an open access consumer with a contract demand of 10 MVA has scheduled 8 MVA, 5 MVA and 2 MVA power through open access in different time blocks of the day, say 2-3 hours, 9-11 hours and 18-22 hours respectively, then the entitlement of open access customer during time blocks when there is no schedule or less schedule of power than maximum scheduled power under open access, shall be 2 MVA from the distribution licensee, for that day.

For Green Open Access Energy customer with a contract demand of 10 MVA has scheduled 8 MVA, 5 MVA and 2 MVA power through open access in different time blocks of the day, say 0-3 hours, 6-9 hours and 18-21 hours respectively, then the admissible drawl of Green Open Access Energy customer during 0-3 hours will be 2 MVA, 6-9 hours will be 5 MVA and 18-21 hours will be 8 MVA and for time blocks when there is no schedule under open access then the admissible drawl will be equal to the contract demand.

Further, in case of Intra-State Green Energy Open Access, SLDC may be empowered to not accept schedules, where the quantum of power scheduled for consumption/ drawl under open access changes within twelve consecutive time blocks of 15 minutes time interval during a day. For Open Access customers including Green Open Access customers, Demand surcharge shall be charged on daily basis at a rate of Rs. 50/- per kVA per day on excess demand/violation of admissible drawl irrespective of the number of defaults in a day.

PSTCL's reply:-

Agreed

Commission's Analysis and Decision:-

The Commission vide Order dated 01.06.2015 in Petition No. 16 of 2013 regarding amendment in Open Access Regulation notified vide No. PSERC/Secy./Reg./57 dated 01.07.2011), through 5th amendment had introduced Regulation 28(3) of the OA Regulations, 2011 to put a stop to erratic variation in drawl of power by open access consumers from the Power Exchanges. Allowing random power drawal from the grid on payment of Stand-by charges may result in grid instability.

Further, as per Regulation 2.3.1 'Roles & Responsibilities of SLDC' of the PSERC State Grid Code, 2013, SLDC is already responsible for optimum scheduling and despatch of electricity within the State in accordance with the contracts entered into with the licensees or the generating companies operating in the state and is responsible for optimum scheduling and despatch of electricity within the State in accordance with the contracts entered into with the licensees or the generating companies operating in the state.

Further, the example quoted by PSPCL regarding admissible drawal of Green Energy Open Access has been dealt separately under Para 7 (b)(ii).

b) Regulation 28(3)(A)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) RENEW POWER (Objector No. 1)

Green Energy Open Access consumers should be excluded from the concept of Admissible drawl. Generation from such sources is intermittent in nature and dependent upon availability of natural resources, prediction of which well in advance is difficult. Even delay and or mismatch of trend for few time blocks will expose the consumer to hefty imbalance/stand by charges. Also, the requirement of keeping the load constant for 12 consecutive time block is practically not possible for green energy-based projects as the generation will occur

basis natural resource availability, which is keeps on changing very frequently.

Here it will be worth mentioning that no RE rich state follow the concept of Admissible drawl. The Commission if wishes to introduce such concept it should be limited to short term open access transaction where the consumer frequently switches between DISCOMS and third-party suppliers.

A parallel long term open access consumer who procures power from DISCOM and third-party sources, maintains contract demand with the DISCOM and in parallel pay the long-term charges on MW basis irrespective of the usage adequately compensate the licensee. Such consumer should not be subjected to such requirement.

PSPCL's Reply: -

The suggestion/proposal is against the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

However, it is added that PSPCL is against the provisions of proposed Regulation 28(3)(A), which is exempting the Green Energy open access consumers from the provisions of Regulation 28(3) (by providing to work out their admissible drawl in each time-block instead of time-block of maximum schedule as prescribed in Regulation 28(3) for other open access consumers).

PSTCL's Reply: -

The suggestion/proposal for maintaining same quantum of power consumed through open access for atleast twelve consecutive time blocks of 15 minutes is against the provisions of Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 notified by Ministry of Power, Gol.

Commission's Analysis and Decision:

Considering the intermittent nature of RE power, the Green Energy Open Access consumers have been proposed to be exempted from Regulation 28(3). Further, the proposed amendment is in line with the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022.

ii) PSTCL (Objector No. 2)

As the maximum admissible drawl for open access consumers (other than Green Energy Open Access consumers) is the difference between the sanctioned contract demand and maximum open access quantum scheduled by the open access consumer for drawl in any time block of a day, the open access consumer has to consume/ draw same open access power for 24 hours of a day.

Similarly for Green Energy Open Access consumer, the maximum admissible drawl should be the difference between the sanctioned

contract demand and maximum open access quantum scheduled by the green energy open access consumer for drawl in any time block of the 12 consecutive time-blocks period, for which it is not allowed to change the quantum of power consumed/ drawn.

This clause shall provide for a penalty in case the Green Energy Open Access Consumer does not adheres to the condition of same power consumption/ drawl in 12 time-block period.

Further, in case of Intra-State Green Energy Open Access, SLDC may be empowered to not accept schedules, where the quantum of power scheduled for consumption/ drawl under open access changes within twelve consecutive time blocks of 15 minutes time interval during a day.

PSPCL's Reply: -

Refer PSPCL's Reply in Para 7 a) (ii) above.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 7 (b)(i) above. The Commission do not agree with the interpretation of PSPCL that the 96 time blocks shall be further sub-divided and 8 no. admissible blocks shall be calculated. However, the Commission clarifies that the twelve time blocks for which the drawal is uniform shall be total consecutive twelve time blocks during a day instead of twelve time blocks as mentioned by PSPCL in its example.

Further, as per Regulation 2.3.1 'Roles & Responsibilities of SLDC' of the PSERC State Grid Code, 2013, SLDC is responsible for optimum scheduling and despatch of electricity within the State in accordance with the contracts entered into with the licensees or the generating companies operating in the state and is responsible for optimum scheduling and despatch of electricity within the State in accordance with the contracts entered into with the licensees or the generating companies operating in the state.

iii) ITC (Objector No. 3&5)

Newly introduced clause 28(3)(A) provides relief for Green open access consumers from the existing provisions of clause 28(3). It is requested to provide an illustration similar to the one provided for clause 28(3).

PSPCL's reply: -

The matter falls under the purview of the Commission.

Commission's Analysis and Decision:

The provision is self-explanatory and clearly provides that there is no curtailment in the entitlement of open access customer based on the maximum schedule. However, variation in the admissible drawl shall be treated as per provisions specified under Regulation 31 of these Regulations.

iv) MANIKARAN POWER LIMITED (Objector No.6), RELIANCE (Objector No.7) PUNJAB HYDRO POWER LIMITED (Objector No. 8), VARDHMAN TEXTILES LIMITED (Objector No. 9) HMEL MITTAL ENERGY LIMITED (Objector No. 10)

Manikaran Power Limited, Punjab Hydro Power Limited, Vardhman Textile Limited and HMEL Mittal Energy Limited requested either to remove the proposed clause 28(3)(A) or else restrict it to 06-time block maximum. While Reliance Power requested that the term “at least twelve” be replaced with “at least four”.

PSPCL’s and PTCL’s Reply: -

The proposed provision of not changing the quantum of power for 12-time blocks is already in line with the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, GoI and the same may be retained.

Further, it is clarified that open access consumer can always avail the power from DISCOM over and above the admissible drawl by paying the applicable Demand Surcharge (as approved by Hon'ble PSERC in Tariff Order for the respective years).

Commission’s Analysis and Decision:

The proposed amendment is in line with the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022.

v) STEEL FURNACE ASSOCIATION OF INDIA (Objector No. 12)

The open access power transferred will have two components i.e. power used and power banked. The adjustment of wheeling and other open access charges as well as banking charges on banked energy etc. need to be made during the month of usage of banked power. Further, no charges should be levied on the energy injected but treated as dumped energy. Or else such dumped energy should be paid for at the rate of 90% of the rate of solar power purchase by PSPCL during the previous financial year. It is understood that DSM Charges for solar plants will be applicable for deviations at the injection point and there will be no DSM applicable at the drawl point as injection above consumption in each time block will be treated as banked energy with monthly limit of up to 30% PSPCL consumption. In fact, as per practice being followed by many other states like Tamilnadu, Telangana and Karnataka etc. the energy accounting at drawl point is being done on monthly basis instead of time block basis. Accordingly, proposed new regulation 28.3 a need to redraft accordingly at least for accounting purpose w.r.t. applicability of DSM Charges. It is submitted that DSM Charges for solar plants will be applicable for deviations at the injection

point and there will be no DSM will be applicable at the drawl point, if only captive Green/RE Power is wheeled after executing banking agreement with PSPCL. DSM charges at drawl point shall be applicable for all other cases.

PSPCL and PSTCL's Reply: -

As per the prevailing open access regulations issued by Hon'ble PSERC, the applicable wheeling charges will be levied on the approved open access quantum in MW (for LTA/MTOA) or Energy scheduled for wheeling in kWh and shall be irrespective of the injection/drawl of banked energy.

Further, proposal regarding non-levy of banking charges on the dumped energy or payment of dumped energy @ 90% of the rate of Solar power purchase by PSPCL is against the provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022

Commission's Analysis and Decision:

The proposed provision 28(3)(A) does not relate to banking.

c) Regulation 28 (5)

No objections/suggestion received.

d) Regulation 28(6) (i)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) RENEW POWER (Objector No. 1)

The concept of banking works for the benefits of the consumer and DISCOMs. The surplus electricity generated by the renewable energy plant is parked with the DISCOM with and intention to draw at times when demand of consumer is more the real time supply from the renewable energy plant. This provides flexibility to consumer to manage its load irrespective of generation profile. Also, the surplus injected/scheduled in the DISOCMs grids help them to reduce the power purchase/scheduling requirement leading to saving on terms of power purchase cost.

We understand that arranging power during peak months and time of day is a costly affair for the DISCOMs due to which restriction of power drawal is imposed on the consumers during peak hours and month. The Commission will appreciate the fact the putting restriction on drawal of banked power will defeat the whole purpose of providing banking facility.

Also, linking the quantum of electricity which can be banked to the electricity which is consumed by the DISCOMs is practically not possible as such quantum will be variable in nature and will be highly dependent upon the real time generation from renewable energy plant.

PSTCL and PSPCL's Reply: -

The suggestion/proposal is against provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022 (notified on 27.10.2022) and NRSE Policy, 2012 notified by Govt. of Punjab

Commission's Analysis and Decision:

The purpose of allowing banking in these regulations is only to facilitate open access, by taking care of inadvertent mismatch between generation and consumption. Setting up of extra generating capacity and to use grid as a battery through banking arrangement cannot be allowed as it will not only create system operation problems but would also have serious impact on the finances of the licensee resulting in additional burden on other consumers. Thus, while allowing banking, reasonable conditions have to be imposed to protect the legitimate interests of all stakeholders. The facility of banking is being provided to GEOA consumers due to variable nature of generation from such sources and to promote green energy as per Section 86(1)(e) of the Electricity Act, 2003.

ii) ITC (Objector No. 3 &5), MANIKARAN POWER LTD. and PUNJAB HYDRO POWER LTD. (Objector No. 6 and 8) and STEEL FURNACE ASSOCIATION OF INDIA (Objector No. 12)

The accounting year for calculating and adjustment of banked power should be in sync with peak months fixed by the Commission, that is 1st June to 31st May of the year presently, rather than financial year as proposed in draft regulation. This is required for usage of power banked during four months of paddy season to be availed in balanced 8 months otherwise only 6 months are available for its utilization. This would be impractical as during these six months, unit would be generating solar also, which is to be consumed along with already banked power during four months and PSPCL to be eligible for further banking @30%. In addition to above, the unutilized banked power of April and May cannot be used till the end of peak months, which will be burden on the consumers. Therefore, yearly cycle of banking need to be fixed as from 1st June of the year to 31st May next year

PSPCL's reply: -

Refer PSPCL's Reply in Para 7 (d)(i).

Commission's Analysis and Decision: -

Refer the Commission's decision in Para 7 (d)(i)

iii) PEDDA (Objector No. 4)

It is seen that the banking is appearing only at two places in the draft i.e. in para 2(b) (ccc) providing definition and Para 8 (e) of the draft (vide which new regulation 28(6) is proposed to be added) providing broad guidelines of the banking facility. However, all other regulations are totally silent on the scheduling of the excess capacity installed for

banking and to work out the quantum of the banked power.

It is therefore desirable that the Regulations 28(3) (a) and 31(2) etc. should prescribe the regulatory provisions with regard to methodology of working out the banking quantum in a clear manner rather than leaving it to the whims and fancies of PSPCL/SLDC.

PSPCL's reply: -

Though the methodology of calculation of banked energy has been clarified in detail in draft Banking procedure submitted by PSPCL to the Commission, yet the Commission may prescribe the additional regulatory provisions, if it may deem fit in this regard.

PSTCL's reply: -

PSPCL has already submitted draft banking procedure to the Commission in this regard.

Commission's Analysis and Decision:

As pointed out by PSPCL, the details of banking procedure alongwith banking agreement has been approved by the Commission vide Order dated 19.04.2023. Further, PSPCL, as per clause (v) of Regulation 28(6) of these regulations, is required to prepare a detailed procedure for banking along with model banking agreement within 30 days of the notification of these regulations and get it approved from the Commission.

e) Regulation 28 (6)(ii)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) RENEW POWER (Objector No. 1)

The permitted quantum of banked energy by the Green Energy Open Access consumers shall be upto 50% of the total monthly energy injected/scheduled in the grid. The excess energy banked shall be treated as dumped energy and shall not be carried forward to next month.

PSPCL's reply: -

The suggestions are contradictory to the provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022 (notified on 27.10.2022) and Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 7 (d)(i) above. Further, the banking on yearly basis and drawal of banked energy has been specified to protect the interests of all the stakeholders and keeping in view the peculiar demand-supply curve of the State.

ii) ITC (Objector No. 3&5)

Cap of 30% on banked energy should be provided on total drawl at the

consumption point and not just on purchase from distribution company because the most use of banking is done when renewable energy shares are high. If 30% banking is provided on purchase from distribution company, it defeats the entire purpose of promoting renewable energy itself. (A unit with very high renewable energy share will get a very low banking provision)

Further, calculation of 30% banking facility should be done on annual basis than monthly basis as it is not feasible to utilize accumulated banked power during paddy season and also meet the requirement of 30% power procured from discom at the same time during post paddy seasons i.e. October onward.

PSPCL's Reply: -

The suggestion being contradictory to the provisions of PSERC (Harnessing of Captive Power Generation) Regulations, 2022 (notified on dated 27th October-2022), does not come under purview of PSPCL but under jurisdiction of the Commission.

The suggestion being contradictory to the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 7 (e)(i) above.

Further, in view of the MOP's notification dated 27.01.2023 regarding the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendments, Rules, 2023, the following proviso is added under clause ii of Regulation 28(6):

“Provided that unutilized surplus power shall be governed as per the provisions of Electricity (Promoting Renewable Energy to Green Energy Open Access) Amendment Rules, 2023.”

iii) RELIANCE (Objector No. 7)

Allowing only 30% units and lapsing of rest banked units will result in substantial financial impact on RE projects considering mismatch of generation pattern and load pattern. Also, there will be charge for banking and hence there will be not any loss to DISCOM due to providing 100% banking.

As solar and wind power being infirm in nature, we request the permitted banking quantum for open access consumers to be allowed upto 100% of the requirement of the consumers.

PSPCL's and PSTCL's reply: -

The suggestions are contradictory to the provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022 (notified on 27.10.2022) and Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 7 (e)(i) above.

iv) HMEL MITTAL ENERGY LIMITED (Objector No. 10)

The banking facility shall be allowed to Green Energy open access consumers on following terms and conditions;

The permitted quantum of banked energy by the Green Energy Open Access consumers shall be upto 30% the maximum monthly consumption of electricity from the distribution licensee of the area during the banking year.

The excess energy banked shall be carried forward for next month and shall laps post completion of banking year.

PSPCL's and PSTCL's Reply:-

The suggestion is contradictory to the provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022 (notified on 27.10.2022).

Commission's Analysis and Decision:-

Refer the Commission's decision in Para 7 (e)(i) above.

f) Regulation 28(6) (iii)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) MANIKARAN and PUNJAB HYDRO POWER PVT. LTD. (Objector No. 6 and 8), VARDHMAN TEXTILES LIMITED (Objector No. 9) and HMEL MITTAL ENERGY LIMITED (Objector No. 10)

This clause also states that the unutilized banked energy will be lapsed, which is contradictory of Promotion of Green Energy by the commission, because maximum states, through their RE policies, are providing a 75-85% of APPC rate as the compensation cost for the lapsed banked energy at the end of the financial year. The share of C&I segment in RE generation is already less than 1% and without the proper banking provisions for excess energy, the business model for open-access renewable energy projects, which sell electricity direct to commercial and industrial (C&I) consumers, will become unviable.

PSPCL and PSTCL's Reply: -

The suggestion is contradictory to the provisions of PSERC (Harnessing of captive Power Generation) Regulations, 2022 (notified on 27.10.2022) and Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol.

Commission's Analysis and Decision:

The banked energy is supposed to be consumed by the open access user in the subsequent months and in view of the demand-supply scenario in the State and fixed cost liability of the distribution licensee,

the unutilised banked energy at the end of the financial year cannot be compensated as it will put extra burden on other consumers of the State.

Further, in view of the MOP's notification dated 27.01.2023 regarding the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendments, Rules, 2023, the following proviso is added under clause iii of Regulation 28(6):

“Provided that unutilized surplus power shall be governed as per the provisions of Electricity (Promoting Renewable Energy through Green Energy Open Access) Amendment Rules, 2023.”

g) Regulation 28(6)(iv)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) ITC (Objector No. 3&5)

The adjustment of wheeling charges and banking charges on banked energy etc. need to be made during the month of usage of banked power. Further, no charges should be levied on the dumped energy or else it should be paid for at the rate of 90% of the solar power purchase during the previous financial year.

PSPCL's and PSTCL's reply: -

As per the prevailing open access regulations issued by the Commission, the applicable wheeling charges will be levied on the approved open access quantum in MW (for LTA/ MTOA) or Energy scheduled for wheeling in kWh, and shall be irrespective of the injection/drawl of banked energy.

The banking charges will be levied on unutilized energy/ under-drawl injected into the PSPCL/ PSTCL grid, as per the prevailing practice in all other States.

Further, as per the PSERC (Harnessing of Captive Power Generation) Regulations, 2022, there is no provision regarding non-levy of banking charges on the dumped energy or payment at the rate of 90% of the solar power purchase during the previous financial year.

Commission's Analysis and Decision:

The banking charges and other terms & conditions shall be separately approved in the detailed banking procedure. In case of CPP the same has been approved by the Commission vide Order dated 19.04.2023 in Petition No. 29 of 2022. Further, PSPCL, as per clause (v) of Regulation 28(6) of these regulations, is required to prepare a detailed procedure for banking along with model banking agreement within 30 days of the notification of these regulations and get it approved from the Commission..

ii) MANIKARAN and PUNJAB HYDRO POWER PVT. LTD. (Objector No. 6 and 8) and HMEL MITTAL ENERGY LIMITED (Objector No. 10)

As per new clauses in Regulation 28 (6) (iv), the banking charges shall be levied in kind at the rate and in the manner as may be approved by the Commission. The 'in kind' percentage should be notified from the Commission and the same must be kept at minimum possible percentage in line with the banking charges approved by other SERC across country so as to promote green energy generation

PSPCL's reply: -

The matter falls under the purview of the Commission. However, the detailed procedure for banking has already been submitted to the Commission, the Public Hearing of which has been scheduled on 01.03.2023 and is open for comments/objections/suggestions of stake holders. Further, it is submitted that there is wide variation in banking charges being levied by other SERCs. Whereas states like Haryana and Gujarat levies banking charges in Rs/Kwh (upto 1.5 Rs/Kwh), states like Karnataka and Andhra Pradesh levies banking charges on total injected energy instead of banked energy. The power scenario and regulations in each state are different and are not much relevant

Commission's Analysis and Decision:

Refer the Commission's decision in para 7(g)(i) above.

iii) STEEL FURNACE ASSOCIATION OF INDIA (Objector No. 12)

It is submitted that for fixing banking charges, the various saving generated to PSPCL from dumped power, if payment for the same is not made to consumers as will as RPO related saving should be accounted for and reduced from the banking charges calculation.

PSPCL and PSTCL's reply: -

No Comments.

Commission's Analysis and Decision:

Refer the Commission's decision in Para 7(g)(i).

h) Regulation 28(6)(v)-

No Comments/Objections received

8. Amendment in Regulation 31 of the Principal Regulations- Imbalance Charges

a) Regulation 31 1 (a) & (b)

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) PSTCL (Objector No. 2)

Keeping in view the provisions of "Applicability in (Regulation 4)" of PSERC (Deviation Settlement Mechanism & related matters) Regulations, 2020, it may be clarified that whether Regulation 31.1 (a)

& (b) shall be applicable to Full Open Access including licensee e.g. Consumers deemed Northern Railway or only to Full Open Access Consumers (excluding deemed licensee e.g. Northern Railway). Further, as per PSERC DSM Regulations, 2020, The Volume Limit for distribution licensee(s) and Buyers shall be determined as under: i. 12% of drawl schedule or [X] MW, whichever is lower. Where [X] MW= (Peak Demand of Distribution Licensee or Buyer/(NCPD) x State Volume Limit). Where, NCPD (Non-Coincident Peak Demand) represents the sum of Peak Demand of Distribution Licensee(s) and Buyer(s) where, Peak Demand of the Distribution Licensee(s) and Buyer(s) shall be recorded Peak Demand in the current Financial Year or Projected Peak Demand of Distribution Licensee(s) or Buyers(s) in the ensuing Financial Year, whichever is higher; thereof. As such for working out "X" MW, State Volume limit is linked and NCPD is worked out by sum of peak demand of Distribution Licensee and Buyer from which it is apprehended out by sum of peak demand Distribution Licensee and buyers who are availing Inter-State Open Access. Thus, Volume limit for both full open access consumers as well as partial open access consumers may only be restricted upto 12% of the drawl schedule for working out Deviation (without stipulating MW limit).

PSPCL's reply: -

Agreed.

Commission's Analysis and Decision:

As per Regulation 3 'Applicant' means a consumer, an electricity trader, distribution licensee or a generating company/station (including a captive generating plant) who has applied for open access including connectivity, if not already connected, hence the OA Regulations are applicable to distribution including deemed distribution licensee. Further, Regulation 31(1) specifies that overdrawal will be paid by the open access customer to the distribution licensee at the rate of 105% of the UI/ Deviation charges (including additional charges for deviation, if applicable) + Congestion charges, if any, as specified in the PSERC DSM 2020 as amended from time to time. According to it only the rate specified in the DSM Regulations, 2020 is linked to OA Regulations.

ii) PEDA (Objector No. 4)

Para 8(c) of the draft provides or new para 28(3)(A) which specified that the energy scheduled will be considered for working out the Admissible drawl for each time block separately.

Further para 9 of the draft provides in Para (a) that the Deviation settlement will be carried out as per PSERC DSM Regulations 2020 which excludes solar plants. Also, DSM Regulations 2020 are applicable on Generators of Capacity 5MW and above.

In additions, Para 9(b) of the Draft provides for calculation of excess

energy brought under OA above the sanctioned CD (probably for calculation of banked energy though it is not specified in the regulations) as difference of scheduled entitlement limited to actual injection and sanctioned contract demand.

The regulations are confusing and leaves everything at the discretion of PSPCL/SLDC. Following issues need to be clarified through appropriate addition in regulations: -

- i) Whether DSM will be applicable for difference of energy scheduled and energy injection.
- ii) Methodology of calculation of banked energy at the consumer end particularly for solar plants.
- iii) DSM Regulations 2020 are applicable on Generation projects of capacity 5MW and above, as such, energy injected by such projects will be scheduled energy.

It is requested that PSPCL/PSTCL/SLDC should be directed to put the draft procedure for public comments before the Amended Regulations are notified so that there is clarity on the subject.

PSPCL's reply: -

The issues/queries raised by the objector i.e. applicability of DSM, Methodology of calculation of banked energy and applicability of relevant regulations have been clarified in detail in draft Banking procedure submitted by PSPCL to the Commission.

However, the Commission may prescribe the additional regulatory provisions, if it may deem fit in this regard.

Commission's Analysis and Decision:

DSM charges are applicable in case of variation in admissible drawal which are clearly specified in Regulation 28(3), 28(3)(A) and Regulation 31 of the PSERC OA Regulations, 2011.

Further, with regards to methodology of calculation of banked energy at the consumer end particularly for solar plants it is submitted that the banking procedure in case of CPP has been approved by the Commission vide Order dated 19.04.2023 in Petition No. 29 of 2022. Further, PSPCL, as per clause (v) of Regulation 28(6) of these regulations, is required to prepare a detailed procedure for banking along with model banking agreement within 30 days of the notification of these regulations and get it approved from the Commission..

Para 9 (a): Regulation 31 Imbalance Charges: -

Since the Commission has notified its own DSM Regulations in which there is no provision of charging 105% and 95% of the DSM/UI charges, therefore, while replacing CERC regulations with PSERC regulations for DSM/UI charges, wording of Regulation 31.1(a & b) also need to be redrafted to delete the calculations on 105% and 95% basis.

PSPCL's reply: -

The provision of levying 105% /95% of DSM/UI charges for open access customers already exists in prevailing open access regulations issued by the Commission and the same may be retained.

Commission's Analysis and Decision:

The provision of levying the open access customer at the rate of 105% of the UI/ Deviation charges already exist in the current Regulation and as such no changes are required.

9. Amendment in Regulation 31 (2) of the Principal Regulations, shall be substituted as under:

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED: -

i) RENEW POWER (Objector No. 1)

The open access to a consumer including Green Energy Open access consumer may be allowed over and above the sanctioned contract demand provided that the Open Access consumer has taken permission from the distribution licensee for the same. In such a case a consumer will be allowed to draw the total load equivalent to the sum of scheduled entitlement as an Open Access customer, limited to actual injection, and sanctioned Contract Demand as a consumer of the distribution licensee. The total admissible drawl from the distribution licensee in any time block during the day in such case shall be limited to the sanctioned contract demand **Provided that for the long-term open access consumers including long term Green Energy Open Access consumers there shall be no restriction on open access quantum. Such consumer shall be allowed to seek open access for any quantum.**

PSPCL's reply: -

The suggestions are contradictory to the provisions of Electricity (Promoting Renewable Energy through Green Open Access) Rules, 2022 notified by Ministry of Power, Gol and prevailing Open Access Regulations issued by the Commission & CERC.

Commission's Analysis and Decision:

Allowing unrestricted OA drawal to OA consumers may lead to erratic variation in drawal of power by the open access consumers from power exchanges etc. which may result in grid indiscipline.

ii) PSTCL (Objector No. 2)

The terms & conditions on which the distribution licensee may allow open access to a consumer (including Green Energy Open access consumer) over and above the sanctioned contract demand, may be stipulated, along with the additional charges, if applicable, for the same. Further, as per the existing regulations, if an open access consumer is allowed open access over and above the sanctioned contract demand,

the admissible drawl in such case is sum of scheduled entitlement as an open access customer, limited to actual injectional and sanctioned contract demand. However, as per proposed regulations, "The total admissible drawl from the distribution licensee in any time block during the day in such case shall be limited the sanctioned contract demand." It may be clarified that whether the admissible drawl, as per the proposed regulations, shall be always limited to sanctioned Contract Demand (irrespective of the fact that whether open access is allowed up to sanctioned contract demand or over and above sanctioned contract demand).

PSPCL's reply: -

Agreed

Commission's Analysis and Decision:

It is clarified that Regulation 31(2) specifies that in case of consumers of distribution licensees the consumer will be allowed to draw equivalent to sanctioned contract demand and scheduled entitlement as open access consumer with prior permission of distribution licensee. However, the maximum admissible drawl from the distribution licensee shall be limited to the sanctioned contract demand. If the consumer's maximum drawl is more than total sum of sanctioned contract demand and scheduled entitlement as OA or if drawl from distribution licensee is more than sanctioned contract demand, then demand surcharge shall be applicable.

iii) ITC (Objector No. 3&5)

Consumer will be allowed to draw the total load equvalued to the sum of scheduled entitlement as an Open Access Customer, limited to actual injection and sanctioned contract demand as a consumer of the distribution licensee"

1. Enforcement of this clause requires the consumer to obtain prior permission from the distribution licensee. Conditions to be fulfilled for granting this permission may be detailed out.
2. It is requested to provide an illustration for clause 31(2)(a):
Say contract demand is A, scheduled Entitlement is B then:
3. Without prior permission; if a consumer's drawl from the Division is $> (A-B)$, then demand surcharge is applicable.
4. With prior permission: The consumer will be allowed total drawl of $A+B$. if consumer's maximum drawl is $> (A+B)$ or if drawl from distribution licensee is $> A$, then demand surcharge is applicable.

As per practice being followed by many other states like Tamil Nadu, Telangana and Karnataka etc., the energy accounting at drawl point is being done on monthly basis and not based on Time Block. In effect, total injection at the end of each month should be netted off with the total drawl at the end of each month at an aggregate level.

Further, calculation of banked energy should also be done after netting of total drawl and total injection at the end of each month.

PSPCL's reply: -

As per the provisions (Regulation 11 (i)) of PSERC (Harnessing of Captive Power Generation) Regulations, 2022, the drawl of banked energy shall not be allowed during the peak load hours, as may be approved by the Commission.

In case, the total injection at the end of each month is netted off with the total drawl at the end of each month at an aggregate level, the aforementioned provision (regulation 11 (i)) of said PSERC regulations (i.e. ensuring drawl of banked power during off-peak hours only) cannot be complied with.

Further, the Commission vide its order dated 24.11.2022 in Petition No. 29 of 2022 has directed PSPCL to draft the detailed procedure for banking in line with the provisions of the notified Regulations, while keeping in view the draft Model Regulations on "Methodology for calculation of Open Access Charges and Banking charges for Green Energy Open Access Consumers" prepared by the working group of Forum of Regulators (FoR). The said report by Forum of Regulators also emphasizes on Time-Slot/ ToD based banking.

Moreover, **such proposed netting off on aggregate level at end of month, shall cause financial loss to PSPCL**, as all of the banked energy during surplus hours (e.g. solar generation hours) will be adjusted against drawl during deficit hours (e.g. non-solar generation hours) within the month and **no banked/ unutilized energy shall remain at end of month for levy of banking charges** (except during paddy season, when no drawl of banked power is allowed). The banked energy during/ within the month cannot be ascertained/ worked out in this case, which will defeat the very purpose of accounting and levying of banking charges.

Further, as per the provisions (Regulation 11 (iii)) of PSERC (Harnessing of Captive Power Generation) Regulations, 2022, *"The captive user, who is a consumer of distribution licensee also and getting power from renewable based CGP shall be permitted to bank energy upto 30% of the total monthly consumption of electricity from the distribution licensee of the area. The excess energy banked shall be treated as dumped energy and shall not be carried forward to next month."*

In case, the total injection at the end of each month is netted off with the total drawl at the end of each month at an aggregate level (as proposed by M/s ITC),

- **Either there will be net drawl from PSPCL at end of month (with zero monthly banked/ unutilized injected energy remaining), as drawl till end of the month is likely to be**

greater than the injected energy wheeled till end of the month.

- Or there will be negligible banked/ unutilized injected energy at end of month (with zero monthly drawl from PSPCL). Banked energy more than 30% of monthly consumption from PSPCL (i.e. 30% of Zero = Zero) i.e. All of the banked energy will be treated as dumped energy.

As such, the proposed **netting off on aggregate level at end of month, shall render the aforementioned provision (Regulation 11 (iii) of said PSERC regulation) useless.**

Further, similar **practice of time-block wise settlement is being done in the State of Haryana** also (where separate drawl schedule for banking is also required to be submitted and high banking charges @ Rs. 1.50/- per kWh are levied, **the provisions proposed in Punjab are very lenient as compared to Haryana**).

M/s ITC is quoting the old banking procedures applicable in States of TamilNadu, Telangana & Karnataka, which are now due for revision in line with latest regulations/ recommendations of Forum of Regulators (Telangana is levying banking charges @21%, as compared to 15% banking charges proposed by Punjab).

Karnataka Electricity Regulatory Commission vide its notice dated 05.08.2022 had issued a discussion paper on 'Wheeling Charges and Banking Facility' for RE projects based on a study conducted by Prayas (Energy Group) for estimating impact of renewable energy wheeling and banking arrangement on Karnataka discoms, **wherein it has been concluded that there is need to shift to monthly slot-wise banking from the existing annual banking.** The said study report has also been endorsed by Forum of Regulators.

Commission's Analysis and Decision:

Refer Commission's decision in Para 9(iii) above.

Further with regards to banking procedure the same has been approved by the Commission vide Order dated 19.04.2023 in Petition No. 29. Of 2022. Further, PSPCL, as per clause (v) of Regulation 28(6) of these regulations, is required to prepare a detailed procedure for banking along with model banking agreement within 30 days of the notification of these regulations and get it approved from the Commission..

iv) PEDA (Objector No. 4)

The Admissible Drawl is defined differently here in this regulation and in Regulations 28(3) and 28(3) (a). It needs to be clarified that the para 31(2) is an exemption to 28 (3) and 28(3) (a).

PSPCL's reply: -

The provisions in Regulation 31(2) cannot be termed as an exemption from 28 (3) and 28(3) (a), however these provisions (Regulation 31(2)) need to be read alongwith the provisions of regulation 28(3) and 28(3)

(a). Suitable provisions may be incorporated by the Commission.

Commission's Analysis and Decision:

It is clarified that Regulation 31(2) is not an exemption to Regulation 28(3) and Regulation 28(3)(A). Regulation 31(2) specifies that in case of consumers of distribution licensees the consumer will be allowed to draw equivalent to sanctioned contract demand and scheduled entitlement as open access consumer with prior permission of distribution licensee. However, the maximum admissible drawal from the distribution licensee shall be limited to the sanctioned contract demand. If the consumer's maximum drawl is more than total sum of sanctioned contract demand and scheduled entitlement as OA or if drawl from distribution licensee is more than sanctioned contract demand, then demand surcharge shall be applicable.

v) PSPCL (Objector No. 11)

The terms & conditions on which the distribution licensee may allow open access to a consumer (including Green Energy Open access consumer) over and above the sanctioned contract demand, may be stipulated, along with the additional charges, if applicable, for the same. Further, as per the existing regulations, if an open access consumer is allowed open access over and above the sanctioned contract demand, the admissible drawl in such case is sum of scheduled entitlement as an open access customer, limited to actual injunctive and sanctioned contract demand. However, as per proposed regulations, "The total admissible drawl from the distribution licensee in any time block during the day in such case shall be limited the sanctioned contract demand." It may be clarified that whether the admissible drawl, as per the proposed regulations, shall be always limited to sanctioned Contract Demand (irrespective of the fact that whether open access is allowed upto sanctioned contract demand or over and above sanctioned contract demand).

PSTCL's reply:-

Agreed

Commission's Analysis and Decision:

Refer Commission's decision in Para 9(iii) above.

10. Amendment in Regulation 42 of the Principal Regulations- Quantum of Renewable Purchase obligation (RPO)

No Comments/Objections received.

Additional Comments

i) RENEW POWER (Objector No. 1)

1. Concessional transmission and wheeling charges for green energy based open access projects: -

To encourage investment in renewable energy sector there is need to provide exemption in Open access charges a long term certainty. State like Gujarat, Karnataka Maharashtra, Rajasthan has witnessed considerable participations from private developers in space of third party and captive projects due to concessional and promotional Open Access charges.

At present also states like Uttar Pradesh, Madhya Pradesh Chhattisgarh have also announced promotional and concessional wheeling charges for promotions of generation from renewable energy.

PSPCL's reply: -

The promotional and concessional wheeling charges for promotions of generation from renewable energy are already applicable in the state of Punjab (for wheeling of power within the State).

As Green Energy (RE) Open Access consumers have already been enjoying various benefits & concessions e.g. waiver of ISTS transmission charges & losses for solar & wind energy, Concessional in-kind transmission & wheeling charges, exemption from Merit Order Despatch etc. since their inception, no further exemptions/ benefits are required for promoting them. Financial Implications to the discoms on account of such exemptions/ concessions/ benefits extended to Green Energy Open Access consumers will be in turn passed on to other consumers, resulting in their tariff hike.

Commission's Analysis and Decision:

All the relevant charges and exemptions proposed in the Green Energy Rules, 2022 for Green Energy Open Access has already been included in the notification.

2. Captive Projects

To ensure deployment of projects under captive mode the Commission should in advance specify norm in line with the Electricity Rules 2005, further such guidelines should cover process of checking compliance for both intra-state and inter-state projects.

PSPCL's reply: -

The matter is already under consideration of PSERC in Petition No. 47 of 2022. The draft procedure for verification of Captive status has already been submitted by PSPCL to the Commission for approval.

Commission's Analysis and Decision:

The objection is not related to the PSERC OA Regulation.

3. Provisions for Green Hydrogen and Data Centres:

Government of India of India and announced national green hydrogen policy, we request the Commission to make provisions coherent to the policy notified. Also, a lot many data centers are expected to come in

the state, provisions ensuring faster deployment of such data center should be included under these regulations.

PSPCL's reply: -

The matter comes under the purview of the Commission.

Commission's Analysis and Decision:

The objection is not related to PSERC OA Regulation. Further, all the relevant exemptions proposed in the Green Energy Rules, 2022 for Green Hydrogen has already been included in the notification.

ii) PSTCL (Objector No. 2)

a) Clause no. 29 "Metering":

As per SAMAST Report, ABT meters of the existing active Customers are being replaced by SAMAST Compatible meters and the cost is being borne by the STU. However, for new OA customers, SAMAST Compatible meters along with other required material to be installed in order to be compatible with SAMAST Software which may installed by the STU at the cost borne by the applicant.

Hence, it is proposed that Clause no. 29. Metering may be substituted as under:

"[The open access customer shall provide SAMAST compatible Special Energy Meters at the point(s) of injection/ drawl in co-ordination with STU/SLDC at the cost borne by the applicant and minimum requirement/ technical standards of metering shall be in accordance with Metering Code of State Grid Code read along with CEA metering regulations."

Commission's Analysis and Decision:

The suggestions/comments are not related to the proposed amendments. Further, as per section 55 of the Act, Central Electricity Authority (CEA) has been empowered to frame Regulations for installation of meters. Accordingly, CEA has notified the CEA (Installation and Operation of Meters) Regulations, 2006, as amended from time to time. The installation of all meters shall have to conform to the provisions of CEA Metering Regulations. Hence, no changes in the Regulation are required.

b) Incorporation of GNA & TGNA:

CERC vide its notification dated 19.07.2022 has notified CERC (Connectivity and General Network Access to the inter-state Transmission System) Regulations, 2022 by substituting CERC (Grant of connectivity, Long Term Access and Medium-Term Open Access in Inter-State Transmission and related matters) Regulations, 2009. Under these GNA Regulations, General Network Access and T-GNA has been introduced instead of Long-Term Access and Temporary Medium-Term Open Access and Short-Term Open Access.

Therefore, if deem fit, provisions of the CERC (Connectivity and General Network Access to the inter-state Transmission System) Regulations, 2022 may be incorporated in the existing Regulations.

PSPCL's reply: -

No comments

Commission's Analysis and Decision:

The suggestions/comments are not related to the proposed amendments.

iii) HMEL MITTAL ENERGY LIMITED. (Objector No. 10)

We urge the Commission to direct PSPCL to not to collect the Wheeling Charge from the consumers connected at 220 and 400kV voltage as these lines are owned and maintained by M/s PSTCL and these consumers have incurred huge capex for laying of transmission lines and Substation/Switchyard.

These consumers are helping the PSPCL also in improving the overall losses of PSPCL and improving the power quality,

We would also like to submit that Discoms in most of the states like Madhya Pradesh, Gujarat, Maharashtra, Tamil Nadu, Karnataka, Odisha etc. does not collect wheeling charges from their EHT consumers.

Considering the above, it is requested that the Commission may consider the request favorably.

PSPCL's Reply:-

The Commission vide 8th amendment in PSERC (Terms and Conditions for Intra state Open Access) Regulations, 2011 dated 15.2.2019 has already clarified that Wheeling charges for usage of distribution network of the distribution licensee for wheeling of electricity shall be as determined by the Commission in the Tariff Order for that year.

Accordingly, the wheeling charges are not being collected by PSPCL from the open access consumers exclusively connected with PSTCL at 132kV & above voltage.

PSTCL's Reply:-

The Commission vide 8th amendment in PSERC (Terms & Conditions for Intra-State Open Access) Regulations, 2011 dt. 15.02.19 has already clarified that wheeling charges for usage of distribution network shall be as determined by the Commission on the Tariff Order for that year.

Accordingly, the wheeling charges are not being collected by PSPCL from the open access customers exclusively connected with PSTCL at 132KV & above voltage.

Commission's Analysis and Decision:

As per Regulation 25(1) of the PSERC OA Regulations, Wheeling Charges are payable by only those Open Access customer who utilizes the distribution network for wheeling of electricity.

The Commission has gone through the objections/suggestion/comments of the objectors and reply of PSPCL on the same and after detailed deliberations, the Commission approves the Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) (10th Amendment) Regulations, 2022 with the modifications as discussed above.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh

Dated: 31.05.2023

