

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

ORDER

DATE: 11.10.2023

In the matter of

Punjab State Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) (11th Amendment) Regulations, 2023

A. Brief Background

The Commission issued the PSERC Open Access (10th Amendment) Regulations, 2023 vide Notification dated 05.06.2023 wherein the Commission incorporated the provisions of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 and the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023. Further, Ministry of Power vide notification dated 23rd May, 2023 issued the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023 wherein the Ministry of Power has allowed consumers having contract demand/sanction load of 100kW or more either through single connection or through multiple connections aggregating to 100kW or more to take power through Green Energy Open Access and further additional surcharge has been exempted in case electricity produced from offshore wind projects which are commissioned upto December, 2032 and supplied to the Open Access consumers.

The Commission also, issued Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 vide notification dated 14.12.2022.

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) (11th Amendment) Regulations, 2023.

A public notice was issued in the newspapers dated 21.07.2023 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, 4 no. of objections were received from the following objectors: -

1. PSTCL (Objector No. 1)
2. Centre for Energy Regulation (Objector No. 2)
3. CIVIS (Objector No. 3)
4. PSPCL (Objector No. 4)

The Public Hearing in this respect was held by the Commission on 09.08.2023. PSPCL submitted its reply on the objections vide letter dated 13.09.2023. PSTCL submitted the reply to objections vide letter dated 12.09.2023.

B. 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 summarized as under:

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

In Regulation 3(1) of the Principal Regulations, following definition shall be substituted as under:

III) “Green Energy Open Access Consumer” means any consumer who has sanctioned contracted demand of 100kVA or more either through single connection or through multiple connections aggregating to 100 kVA or more located in same electricity division of a distribution licensee or such other limit as may be specified by Commission from time to time, except for captive consumers, who are supplied with electricity from green energy sources for their own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving green energy with the works of a licensee, the Government or such person, as the case may be.

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

- **No. of Objections received: 4**
- **Name of Objectors:**
 - PSTCL (Objector No. 1)
 - Centre for Energy Regulation (Objector No. 2)
 - CIVIS (Objector No. 3)
 - PSPCL (Objector No. 4)
- **Details of Objections received as discussed below:**

i) PSTCL (Objector No. 1)

Open Access Limit has already been reduced to 100 kVA from 1 MW for the purpose of Green Energy Open Access as per 10th Amendment of PSERC Open Access Regulations, reducing the limit further by allowing aggregation of CD/Load within each of Distribution Licensee's division will create practical problems as below: -

- If Consumers having contracted demand less than 100 kVA shall be allowed by the Commission, extremely large number of Green Energy Open Access Consumers, with sanctioned CD/Load less than 100kVA, may apply for Open Access. Thus, SLDC will face practical difficulties in their scheduling and Energy Accounting activities. Further, compiling the meter data of such a large number of consumers on 15 minutes basis and their deviation accounting will also be extremely cumbersome for SLDC.
- It is submitted that SLDC being responsible for optimum scheduling despatch and accounting of electricity in the State Grid, may not be burdened with the task of deviation accounting of such a huge number of small consumers embedded within various divisions of distribution licensee, as the same way hamper the regular work and responsibilities of SLDC. Moreover, Deviation accounting of Open Access Customers (Including partial open Access Customers) are being done by SLDC. Thus, huge task of deviation accounting of including such large number of small consumers shall put extra burden on SLDC. Moreover,

under PSERC DSM Regulations, 2020 deviation accounting of only Intra-State Entities connected to transmission system shall be done by SLDC.

Thus, responsibility of deviation accounting of partial Open Access Consumers (if such reduced limit shall be allowed by the Commission) may be assigned to Distribution Licensee, if it may deem fit by the Commission.

Moreover, it is also worthy to mention here that provision regarding grant of Open Access to cluster (with individual load less than open access limit) already exists in Electricity Supply Code & Related Matters Regulations, 2014.

However, if such reduced limit shall be allowed by the Commission, following points may be considered by the Commission while finalizing:-

- Minimum load of individual connection may be specified by the Commission in order to avoid excessive number of small load connections.
- The scheduling and accounting procedure in case of such aggregation of connections needs to be specified by the Commission in order to clarify whether the scheduling and accounting will be done at individual connection/consumer level or at the division level.
- In case, the scheduling and accounting is to be done at division level, the provisions regarding lead consumers and apportionment of scheduled energy & deviation charges (as in case of cluster) needs to be specified.
- It is worth mentioning that different consumers within a division have different billing cycles and different categories/tariff, which also needs consideration while aggregating the multiple connections.

PSPCL's Reply: -

Not Agreed. Scheduling and Energy Accounting is to be done by SLDC as per the provisions of Regulations issued by the Commission from time to time.

Commission’s Analysis and Decision: -

The proposed amendment is in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023 issued by MOP vide notification dated notification dated 23rd May, 2023.

With regard to Energy Accounting Regulation 13 of the Punjab State Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2020 provides as under:

“13. State Energy Account

(1) The SLDC shall prepare a statement of the State Energy Account for each time block for the Buyers and Sellers on monthly basis. Data required for the billing of partial open access consumers connected to InSTS and all open access consumers connected to distribution system shall be passed on to the billing centre of the distribution licensee by the SLDC. The billing centre of the distribution licensee shall be responsible for energy accounting, raising and settlement of bills with partial open access consumers connected to InSTS and all open access consumers connected to distribution system...

(2) The Energy Account Statement for Deviation Settlement of Partial Open Access Consumers connected to the InSTS and all open access consumers connected to the distribution network shall be in accordance with the provisions of PSERC (Terms and Conditions for Intra State Open Access) Regulations, 2011 and its amendments thereof.”

Further, the Green Energy Open Access Rules do not provide any limit of minimum load of individual connections or through multiple connections aggregating to 100 kVA or more. Hence, the proposal of PSTCL that minimum load of individual connection(s) be specified by the Commission in order to avoid excessive number of small load connections shall be in contravention to the provisions of the Rules.

As regards scheduling and accounting, the provisions for same are already provided in the PSERC Open Access Regulations. Further,

since the Open Access will be availed by individual connection or through multiple connections aggregating to 100 kVA, PSPCL shall maintain energy account for each individual consumer/connection. For clarity the following provision is proposed to be added under 2nd proviso of Regulation 10(3) of the Principal Regulations:

“Provided also that in case of multiple connections before start of Green Energy Open Access, consumer(s) shall intimate to the Distribution Licensee in advance regarding the percentage share of energy generation from the Renewable Energy projects to each connection (not exceeding the sanctioned contract demand) so as to enable the Distribution Licensee to account for the same appropriately. Scheduling, Metering and losses of power for the Green Energy Open Access consumers shall be done in accordance with provisions specified under Chapter 6 of this Regulation”

Since, accounting shall be done for individual connection/consumer, the different billing cycles and different categories/tariff shall not be an issue while making energy account of such consumers.

ii) **Centre for Energy Regulation (Objector No. 2)**

As per PSERC (Electricity Supply Code and Related Matters) Regulations, 2014 a single consumer is not eligible for multiple connections in same electricity division of a distribution licensee.

Hence, the it needs to be clarified if multiple connections refer to the same consumer (which needs to be permitted so) or a number of consumers with a contracted demand of 100 kVA.

PSPCL’s and PSTCL’s Reply: -

PSTCL:- The matter relates to PSPCL.

PSPCL:- Refers to the division of PSPCL. The matter is in preview of the Commission and the Commission may clarify.

Commission's Analysis and Decision: -

The reply of PSPCL in this regard is seeking clarification from the Commission. It is pointed out Regulation 6.5 of the PSERC (Electricity Supply Code and Related Matters) Regulations, 2014 specifies as under:

"6.5 One Connection in One Premises

The applicant for a new connection shall give an undertaking that no connection exists in the premises for which a connection is applied.

6.5.1 A new industrial connection in an existing industrial premises may be allowed in the name of independent firm/company provided: a) it is a separate unit in duly partitioned premises owned or taken on lease/rent; b) it is registered as a separate entity/firm under the relevant law; c) it holds a separate GST number and is independently assessed for Income Tax, as may be applicable.

6.5.2 Domestic supply consumers may get more than one domestic supply connection in the same premises where family members/occupants living in a house have separate cooking arrangements subject to the condition that the portions of the house are electrically separated. In case a tenant requires a separate connection under DS category in the separate portion/floor of the premises, he shall furnish an undertaking from the landlord/owner in the form of an affidavit duly attested by Notary Public that the landlord/owner shall clear all the liabilities in case the tenant leaves the premises without paying the distribution licensee's dues.

6.5.3 If a portion of residential/industrial premises is regularly used for any commercial activity permitted under law, the consumer shall be required to obtain a separate connection under NRS category in a duly partitioned & electrically separated portion put to commercial use. In such an event, two connections, one under Schedule DS/Industrial and the other under Schedule NRS shall be permitted.

6.5.4 A tenant/lawful occupier of the premises, in which an NRS/industrial /domestic connection already exists, shall have to seek a separate connection, with the consent of the owner, to carry out any commercial/ industrial activity permitted under law by duly separating the portion of the premises. While giving its consent, the owner shall

undertake in the form of an affidavit duly attested by Notary Public that the owner shall clear all the liabilities in case the tenant leaves the premises without paying the distribution licensee's dues”

From perusal of the above Regulation, it is clear that there is no such provision in the PSERC (Electricity Supply Code and Related Matters) Regulations, 2014 which restricts the distribution licensee to give multiple connections in the same electricity division and as such the apprehension of the objector with regard to multiple connections in the same electricity division of a distribution licensee is unfounded.

iii) **CIVIS (Objector No. 3)**

The objector has reiterated the amendments proposed by the Commission and no objections/suggestion in this regard has been made.

PSPCL's and PSTCL's Reply: -

PSTCL:- No objections raised under Objection No. 3. Hence, No Comments.

PSPCL:- There are no objections found in this objection and hence no comments.

Commission's Analysis and Decision: -

NA

iv) **PSPCL (Objector No. 4)**

Open Access limit has already been reduced to 100 kVA from 1MW for the purpose of Green Energy Open Access as per 10th Amendment of PSERC Open Access Regulations, reducing the limit further by allowing aggregation of CD/Load within each of Distribution Licensee's division will create practical problems in scheduling and accounting.

It is proposed that minimum load of individual connection may be specified by the Commission in order to avoid excessive number of small load connections.

The scheduling and accounting procedure in case of such aggregation of connections needs to be specified by the Commission in order to

clarify whether the scheduling and accounting will be done at individual connection/consumer level or at the division level.

In case, the scheduling and accounting level, the provisions regarding lead consumer and apportionment of scheduled energy & deviation charges (as in case of cluster) needs to be specified.

It is worth mentioning that different consumers within a division have different billing cycles and different categories/tariff which also needs consideration while aggregating the multiple connections.

For accounting of such a huge number of consumers/connections, it is proposed that smart meters/ABT meters with AMR facility may be mandated in such cases at the cost of the Green Energy Open Access Consumer.

With the commencement of Green Energy Open Access for loads of 100 KVA & below, the prosumers covered under net metering/net billing may also apply for Green Energy Open Access. The Commission may clarify the eligibility for Open Access in respect of such prosumers.

PSTCL's Reply: -

Agreed. In order to avoid excessive number of consumers having small load falling under same division of Distribution Licensee, Minimum load of individual connection may be specified by Hon'ble Commission.

Further, w.r.t. Smart Metering with AMR facility, it is submitted that ABT Meters with AMR facility has already been defined under Open Access Procedure(s) approved by the Commission.

Commission's Analysis and Decision: -

PSPCL has made similar comments as PSTCL, hence the decision of the Commission at Para 1 (i) be applied here too.

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

2nd proviso of Regulation 10 (3) of the Principal Regulations shall be substituted as under: "Provided further that only consumers having sanctioned contracted demand of 100kVA and above, either through single connection or through multiple connections aggregating to 100 kVA or above located in same

electricity division of a distribution licensee, shall be eligible to take power through Green Energy Open Access as per Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022.” Provided that in case, if the Green Energy Open Access consumers availing open access through multiple connections and having no sanctioned contract demand with the distribution licensee for either one or more connections, in such cases, the sanctioned contract demand shall be worked out based on the sanctioned load and power factor as specified in the Procedure for LTA/MTOA and Procedure for STOA respectively.

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

- **No. of Objections received: 3**

- **Name of Objectors:**

PSTCL (Objector No. 1)

CIVIS (Objector No. 3)

PSPCL (Objector No. 4)

- **Details of Objections received as discussed below:**

- PSTCL (Objector No. 1)**

The objector has raised same objections as mentioned in Regulation 3(1)

PSPCL's Reply: -

Refer PSPCL's reply in Para 1(i) above.

Commission's Analysis and Decision: -

Refer to the Commission's decision in Point 1(i) above

- CIVIS (Objector No. 3)**

The objector has reiterated the amendments proposed by the Commission and no objections/suggestion in this regard has been made

PSPCL's and PSTCL's Reply: -

PSTCL:- No objections raised under Objection No. 3. Hence, No Comments.

PSPCL:- There are no objections found in this objection and hence no comments

- PSPCL (Objector No. 4)**

The objector has raised same objections as mentioned in Regulation 3(1)

PSTCL's Reply: -

Refer to PSTCL's reply in Para 1(iii) above.

Commission's Analysis and Decision: -

Refer to the Commission's decision in Point 1(iii) above

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

Fourth proviso of Regulation 27 (2) of the Principal Regulations shall be substituted as under: "Provided also that additional surcharge shall not be applicable in case electricity produced from offshore wind projects, which are commissioned upto December, 2032 and supplied to the Open Access Consumers."

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

- **No. of Objections received: 3**
- **Name of Objectors:**
 - PSTCL (Objector No. 1)
 - CIVIS (Objector No. 3)
 - PSPCL (Objector No. 4)
- **Details of Objections received as discussed below:**

i) **PSTCL (Objector No. 1)**

Relates to PSPCL.

PSPCL's Reply: -

PSPCL has reiterated its comments that PSPCL be compensated in the ARR by the Commission against the exemptions being allowed to Green Energy Open Access Consumers on account of Additional Surcharge.

Commission's Analysis and Decision: -

Refer to the Commission's decision at Para 3(iii) below.

ii) **CIVIS (Objector No. 3)**

The objector has reiterated the amendments proposed by the Commission and no objections/suggestion in this regard has been made.

PSPCL's and PSTCL's Reply: -

PSTCL:- No objections raised under Objection No. 3. Hence, No Comments.

PSPCL:- There are no objections found in this objection and hence no comments

Commission's Analysis and Decision: -

Refer to the Commission's decision at Para 3(iii) below.

iii) **PSPCL (Objector No. 4)**

It is proposed that PSPCL may be compensated in the ARR by the Commission against the exemptions being allowed to Green Energy Open Access Consumers on account of Additional Surcharge in line with Green Energy Open Access Rules.

PSTCL's Reply: -

The matter comes under the purview of the Commission.

Commission's Analysis and Decision: -

The proposed amendment is in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023 issued by MOP vide notification dated notification dated 23rd May, 2023.

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

Regulation 42(1) of the Principal Regulations, shall be substituted as under:
"42(1) Each Open Access customer shall ensure compliance of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its Compliance) Regulations, 2022 as amended from time to time."

OBJECTIONS/COMMENTS/SUGGESTIONS RECEIVED:

- **No. of Objections received: 3**
- **Name of Objectors:**
 - PSTCL (Objector No. 1)
 - CIVIS (Objector No. 3)
 - PSPCL (Objector No. 4)
- **Details of Objections received as discussed below:**

- i) **PSTCL (Objector No. 1)**
Agreed

ii) **CIVIS (Objector No. 3)**

The objector has reiterated the amendments proposed by the Commission and no objections/suggestion in this regard has been made.

iii) **PSPCL (Objector No. 4)**

Agreed

PSPCL's and PSTCL's Reply: -

Agreed

Commission's Analysis and Decision: -

The draft amendment has been proposed in view of the Punjab State Electricity Regulatory Commission (Renewable Purchase Obligation and its compliance) Regulations, 2022 issued by the Commission vide notification dated 12.12.2022. The objectors also agree with the proposed amendment.

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) (11th Amendment) Regulations, 2022 with the modifications as discussed above.

Sd/-

(Paramjeet Singh)

Member

Chandigarh

Dated: 11.10.2023

Sd/-

(Viswajeet Khanna)

Chairperson