

In the matter of

Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) (First Amendment) Regulations, 2024

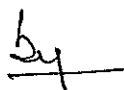
Statement of Reasons

1. Introduction:

- 1.1 The Commission issued the Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2019 vide Notification No. UPERC/Secy./Regulation/639 Dated 10.12.2019 ("UPERC Open Access Regulations, 2019" or "the Principal Regulations"). However, subsequent to its notification, various regulatory and sectoral developments have taken place at national level as well as state level including the notification of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 ("GEOA Rules") and amendment thereof by the Ministry of Power, Government of India, which have necessitated amendment to the Principal Regulations. Therefore, Draft Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions for Open Access) (First Amendment) Regulations, 2024 ("Draft Regulations") was uploaded on Commission's website. Public Notice for inviting written suggestions/comments from all stakeholders and public notice to that effect was uploaded on Commission's website and published in newspapers.

Further, a Public Hearing on the Draft Regulations was also held on 29.08.2024 by the Commission, thereby giving ample opportunity to the stakeholders and interested persons to express their comments/suggestions etc. The list of stakeholders who have submitted their written comments is attached as Annexure-I. Some of the stakeholders also attended the public hearing and the list is attached as Annexure-II. After due consideration of the comments/suggestions received, the Commission has finalized the First Amendment to the Principal Regulations.

- 1.2 It may be noted that all the suggestions given by the stakeholders on the Draft Regulations have been considered, and the Commission has endeavored to elaborate on all the comments/suggestions in the Statement of Reasons. However, if any comments/suggestions are not specifically mentioned or discussed, it does not mean that the same has not been considered. Wherever possible, the relevant comments/suggestions have





been summarized clause-wise, along with the Commission's view on the same. It is pertinent to mention that Consolidated Principal Regulations incorporating the proposed amendments is also put up on the Commission's website along with Draft Regulations only for the purposes of ready reference, therefore the comments/suggestions given by the stakeholders on the provisions other than proposed in Draft Regulations have generally been not considered in the Statement of Reasons except few which were worth consideration.

2. Amendment to Regulation 2, Regulation 4 and Regulation 7 of the Principal Regulations:

Commented Draft Regulations -

- 2.1 The word "Rules" shall be substituted with the word "Regulations" at two places in Regulation 2.1 of the Principal Regulations.

Comments / Suggestions of the Stakeholders -

- 2.1.1 It was submitted that Section 181 of the Act mandates that Regulations made by SERCs shall be consistent with the Act and Rules. Since, "Rules" have a binding effect on the regulations in the matter of "Definitions and Interpretations" and other relevant places the term "Rules as specified by the Ministry of Power" may also be included.

Commission's View -

- 2.1.2 The Commission has considered the comment of stakeholder. As per sub-section (62) of Section 2 of the Act, "specified" means specified by regulations made by the Appropriate Commission or the Central Electricity Authority, as the case may be. Therefore, the word "Regulations" as specified by Central Electricity Authority has appropriately substituted in draft Regulations. Hence the substitutions as proposed is retained.

Further, a new clause, namely, clause (g-iii) is added after clause (g-ii) of Regulation 2.4 of the Principal Regulations as under:

"(g-iii) "GEOA Rules" means the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 and amendments thereof;"

Commented Draft Regulations -



- 2.2 A new clause, namely, clause (e-i) shall be added after clause (e) of Regulation 2.4 of the Principal Regulations as under:

“(e-i) “Deviation” in a time block shall have the same meaning as defined under CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 (“CERC DSM Regulations”);

Comments / Suggestions of the Stakeholders -

- 2.2.1 A suggestion was made to add a proviso to proposed new clause (e-i) as under:

“Provided that deviation in respected of Wind and Solar Generators be computed as:

Deviation-WS seller (DWS) (in %) = $100 \times [(Actual\ Injection\ in\ MWh) - (Scheduled\ generation\ in\ MWh)] / [(Available\ Capacity)]$;”

Commission's View -

- 2.2.2 The Commission has considered the comment of stakeholder. All solar (excluding rooftop solar covered under UPERC RSPV Regulations) and wind energy generation plants in the State of Uttar Pradesh connected to the intra-State transmission system and having an installed capacity of 5 MW or above are governed by UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2018, wherein Absolute Error i.e. deviation in respect of solar and wind generators has already been provided similar to the proviso as suggested by stakeholder. Therefore, the suggestion is not accepted.

Commented Draft Regulations -

- 2.3 Clause (g) of Regulation 2.4 of the Principal Regulations shall be substituted as under:

“(g) “Energy Account” means energy account(s) prepared by State Load Despatch Centre at all the interface points (i.e. generation – transmission / distribution, transmission – distribution and transmission / distribution – open access consumer) and shall include the DSM account(s), Reactive Energy Charges Account(s) and any other accounts as may be notified by the Commission, as applicable, in case of use of transmission system(s) with or without distribution system(s):

Provided that State Load Despatch Centre shall also have to prepare such accounts in case both point of injection and drawal are located within distribution system(s) only without the use of transmission system;”

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Comments / Suggestions of the Stakeholders -

- 2.3.1 UPSLDC suggested to appoint nodal officers at discom and transmission level to ensure timely delivery of data of interface meters to SLDC. Further, these nodal officers may also ensure periodically (at least 6 months) testing and calibration of interface meters so that correct and timely energy accounts may be issued by SLDC.

Further, AMR facility including communication links (from substation/consumer to SLDC) for receiving real time data of open access consumer should be pre-requisite requirement for grant of open access (LTOA/MTOA/STOA). Also, there will be necessary updation required in EASS system of SLDC.

It was also submitted that as per para 2.6.1 (c) of UPEGC, SLDC is responsible for keeping account of electricity transmitted through the state power grid. Accordingly, it was suggested that energy accounting by SLDC should be limited to independent feeder consumers directly connected to state transmission network.

Commission's View –

- 2.3.2 The Commission accepts the suggestion to appoint nodal officers at discom and transmission level and accordingly, a new Regulation namely, Regulation 29.8 is added in Regulation 29 of the Principal Regulations as under:

"29.8 STU and distribution licensee(s) shall designate Officer(s) as "Nodal Officer" at transmission zone level(s) and Discom level(s) who shall be responsible for periodical testing, calibration and maintenance of interface meters, timely delivery of metered data to SLDC, necessary coordination with SLDC/agencies and other related matters."

With respect to the suggestion regarding mandatory requirement of necessary infrastructure for receiving real time data of open access consumers, it is being clarified that the same has already been provided in Regulation 29.1 & Regulation 29.3 and Regulation 2 of Schedule-B. Hence, no further action/consideration is required.

Regarding UPSLDC's suggestion that energy accounting by SLDC should be limited to independent feeder consumers directly connected to state transmission network, the Commission observes that as per sub-section (2) of Section 32 of the Act SLDC is responsible for scheduling and despatch of electricity within a State and is expected to keep accounts of the quantity of

electricity transmitted through the State grid. In view of the same, UPSLDC shall have to prepare energy account(s) in case of use of transmission system(s) with or without distribution system(s) and therefore the Commission retains the clause as proposed in the draft Regulation.

However, with regard to preparation of energy accounts in case both point of injection and drawal are located within distribution system(s) only without the use of transmission system, the Commission is of the opinion that there is a need to revisit the draft provision keeping in view prevailing roles/ responsibilities of distribution licensee at both point of injection and drawal located within its distribution system(s) and therefore decides to modify the proviso to clause (g) of Regulation 2.4 of the Principal Regulations as under:

"Provided that distribution licensee shall have to prepare such account(s) in case both point of injection and drawal are located within his distribution system only without the use of transmission system;"

Similarly, proposed new first proviso to Regulation 27.1 of the Principal Regulations has been modified as under:

"Provided that in case both point of injection and drawal are located within distribution system(s) without the use of transmission system, distribution licensee shall be responsible for scheduling and despatch of such electricity at point of injection and drawal, if applicable, in line with the provisions of UPEGC / IEGC or applicable Regulations."

Commented Draft Regulations -

- 2.4 Two new clauses, namely, clause (g-i) and clause (g-ii) shall be added after clause (g) of Regulation 2.4 of the Principal Regulations as under:

"(g-i) "Renewable Energy" / "Green Energy" means the electrical energy from renewable sources of energy including hydro and storage (if the storage uses renewable energy) or any other technology / sources as may be notified by the Government of India from time to time and shall also include any mechanism that utilises green energy to replace fossil fuels including production of green hydrogen or green ammonia;"

"(g-ii) "Green Energy Open Access" or "GEOA" means open access to consumer(s) of green energy with contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational

requirement as specified in these Regulations and the expression "Green Energy Open Access Consumer(s)" or "GEOA Consumer(s)" shall be construed accordingly:

Provided that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations:

Provided further that the above licence area restriction shall be applicable to Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited & Kanpur Electricity Supply Company Limited only and for all other distribution licensees, the area to be considered shall be equal to the entire licence area;"

- 2.4A A new clause, namely, clause (h-i) shall be added after clause (h) of Regulation 2.4 of the Principal Regulations as under:

"(h-i) "Lead GEOA Consumer" means authorized representative designated among GEOA Consumers who will act as a coordinating agency on their behalf in case of green energy open access availing by aggregating contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee as per these Regulations;"

- 2.4B Three new provisos shall be added to sub-cause (iii) of clause (n) of Regulation 2.4 of the Principal Regulations as under:

"Provided that GEOA Consumer(s) who has contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational requirement as specified in these Regulations:

Provided further that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations:



Provided also that the above licence area restriction shall be applicable to Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited & Kanpur Electricity Supply Company Limited only and for all other distribution licensees, the area to be considered shall be equal to the entire licence area."

- 2.4C Three new provisos shall be added to Regulation 7.1 and to clause (c) of Regulation 7.3 of the Principal Regulations as under:

"Provided that GEOA Consumer(s) who has contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational requirement as specified in these Regulations:

Provided further that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations:

Provided also that the above licence area restriction shall be applicable to Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited & Kanpur Electricity Supply Company Limited only and for all other distribution licensees, the area to be considered shall be equal to the entire licence area."

Comments / Suggestions of the Stakeholders -

- 2.4.1 UPPCL submitted that the Ministry of Power Notification dated 20.10.2023 prescribes that "The hydro renewable energy component shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after 31st March, 2024". Clarification was sought whether the energy from all hydro sources will be considered as a source of "Renewable Energy" / "Green Energy" irrespective of the capacity of the plant, or the hydro plants which are eligible for HPO is to be considered for the "Renewable Energy"/ "Green Energy".
- 2.4.2 NPCL submitted that GEOA Rules do not provide differentiation for providing the divisional restrictions Discoms within a State. Accordingly, the divisional

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restrictions as adopted from the GEOA Rules should be applied for all the Discoms in the State. It was further submitted that the present eligible capacity for intra-State open access is 1 MW. The capacity should be decreased in a gradual manner. Abruptly lowering the limit to 100 kW & below for green energy open access consumers without detailed procedures will create difficulties in billing, energy accounting, and settlement. The existing open access transaction settlement system requires 15-minute time blocks for energy accounting and billing, and scheduling power on a day-ahead basis. Hence, detailed guidelines and procedures for implementing green energy open access should be specified by the Commission. Therefore, the following changes were suggested in the proposed clause (g-ii) under Regulation 2.4:

(g-ii) "Green Energy Open Access" or "GEOA" means open access to consumer(s) of green energy (including Captive Consumers) with contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational requirement as specified in these Regulations and the expression "Green Energy Open Access Consumer(s)" or "GEOA Consumer(s)" shall be construed accordingly:

The requisitions and schedules should have minimum resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations:

~~*Provided that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations:*~~

~~*Provided further that the above licence area restriction shall be applicable to Paschimanchal Vidyut Vitran Nigam Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited & Kanpur Electricity Supply Company Limited only and for all other distribution licensees, the area to be considered shall be equal to the entire licence area;*~~

- 2.4.3 One of the stakeholders stated that the proposed definitions are not in line with the GEOA Rules and therefore suggested aligning the provisions with the GEOA Rules.



It was suggested to modify the definition of "Green Energy Open Access" as under:

"GEOA" means open access to consumer(s) of green energy with contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above ~~but not exceeding one hundred fifty (150) kW~~ through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational requirement as specified in these Regulations and the expression "Green Energy Open Access Consumer(s)" or "GEOA Consumer(s)" shall be construed accordingly:

~~Provided that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC/IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations.~~

It was also suggested to modify the definition of "Lead GEOA Consumer" as under:

"Lead GEOA Consumer" means authorized representative designated among GEOA Consumers who will act as a coordinating agency on their behalf in case of green energy open access availing by aggregating contracted load / sanctioned load of hundred (100) kW & above ~~but not exceeding one hundred fifty (150) kW~~ through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee as per these Regulations;

Further it was suggested to modify the provisos as under:

~~Provided that GEOA Consumer(s) who has contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100 kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer, subject to the fulfilment of the technical / operational requirement as specified in these Regulations:~~

~~Provided further that in case of captive user availing green energy, there shall not be such load limitation and the same shall be subject to the fulfilment of requisitions and schedules having resolution of 0.01 MW for each of the open access transaction in accordance with UPEGC / IEGC and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulations.~~

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It was suggested to delete "but not exceeding one hundred fifty (150) kW". Further, a modification was suggested as under:

Provided further that in case of captive user availing green energy, there shall not be such load limitation and such open access shall be subject to the fulfilment of the technical / operational requirement as specified in these Regulation.

- 2.4.4 Another stakeholder commented that the existing Principal Regulations listed two necessary eligibility conditions i.e. the consumer should have contract demand of 1 MW and above and it should be connected at 11 kV and above. In the Draft Regulations, the Commission has also allowed small consumers upto and above 100 kW to avail green energy open access which may be connected at LT voltage level. Therefore, it was suggested to modify the proposed provision to bring clarity that green energy open access can be availed irrespective of its voltage level and accordingly modify the proposed provision as under:

Provided that GEOA Consumer(s) who has contracted load / sanctioned load of hundred (100) kW & above through single connection or with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding one hundred fifty (150) kW through multiple connections having same retail category in the same name located in same electricity division of a distribution licensee through a Lead GEOA Consumer connected at any voltage level. subject to the fulfilment of the technical / operational requirement as specified in these Regulations.

- 2.4.5 With respect to the upper limit of 150 kW through multiple connection, it was commented that there is only a lower limit of 100 kW and no upper limit has been prescribed in the GEOA Rules. It was suggested to remove the upper cap "but not exceeding one hundred fifty (150) kW".
- 2.4.6 UPNEDA suggested that the definition of "Green Energy Open Access" should be aligned with the definition of "entity" provided in the GEOA Rules and therefore suggested to modify the draft provisions accordingly.
- 2.4.7 Another stakeholder suggested removing the restrictions of upper aggregation capping of 150 kW and of the same retail category under the same name in order to bring this regulation in line with the GEOA Rules along with other state regulations. It was suggested to define eligibility for green energy open access in line with the GEOA Rules.



- 2.4.8 It was submitted that these provisions should be aligned with the GEOA Rules and therefore suggested the modification as under:

"Provided that only consumers who have contracted demand or sanctioned load of Hundred kW or more, either through single connection or through multiple connections aggregating Hundred kW or more located in same electricity division of a distribution licensee, shall be eligible to take power through Green Energy Open Access and there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access."

- 2.4.9 UPPTCL sought clarification on the cases where aggregated contracted load/sanctioned load exceeds 150 kW. Whether capacity above 150 kW is not allowed. Further, a clarification was sought whether resolution of 0.015 MW is allowed or not?

- 2.4.10 Clarification was sought by the stakeholder regarding the minimum load requirement and the maximum aggregated load through multiple connections for availing green energy open access. Further onetime option be given to existing open access consumer availing power from RE source to shift to green energy open access.

Regarding the requirement for the connection to be in the same name across divisions, it was submitted that there may be scenario that multiple connections are held under different legal entities which are part of a same business group and therefore suggested to modify the proposed provision to allow the aggregation of connected load under connections that are all in the name of the group companies.

With regard to the provision requiring captive consumers to schedule / requisition power with resolution of 0.01 MW (i.e. 10 kW), the following clarifications was sought:

- (a) Does 10 kW resolution mean that minimum schedule be of 10 kW and any integral value of greater than 10 kW or multiple of 10 kW only?
- (b) For consumers with aggregated contracted loads from multiple connections, whether their combined schedule should be in multiple of 10 kW or this shall be applicable for each individual consumption point?
- (c) Whether the schedule be submitted for each consumption point separately, or it can be combined for all aggregated capacities?

Commission's View –



- 2.4.11 The Commission is of the view that the energy from all hydro sources will be considered as a source of "Renewable Energy" / "Green Energy". The definition of "Renewable Energy" / "Green Energy" which includes "hydro" is sufficient and therefore, the Commission decides to retain the definition proposed in the draft Regulations.

Further, in the definition's heading under clause (g-i), the words "Renewable Energy" / "Green Energy" shall be substituted with the words "Green Energy" / "Renewable Energy".

- 2.4.12 The Commission has considered the suggestions and has made suitable changes in the definition / provisions related to "Green Energy Open Access" or "GEOA" in proposed clause(s) (g-ii) and provisos to sub-cause (iii) of clause (n) of Regulation 2.4, provisos to Regulation 7.1 and to clause (c) of Regulation 7.3.

The Commission decides to remove the upper cap "but not exceeding one hundred fifty (150) kW" from draft Regulations. Also, the words "subject to the fulfilment of the technical / operational requirement as specified in these Regulations" shall be substituted with the words "subject to the fulfilment of the technical / operational requirement as specified in these Regulations and of requisitions and schedules having resolution in accordance with UPEGC / IEGC".

The Commission further decides to add the following new proviso:

"Provided that in case of multiple connections with contracted load / sanctioned load of less than hundred (100) kW each located in same electricity division of a distribution licensee with aggregated contracted load / sanctioned load of hundred (100) kW & above but not exceeding two hundred (200) kW, there shall be no such restrictions of same retail category under the same name for availing such green energy open access through a Lead GEOA Consumer:"

Further, the suggestion to allow aggregation of multiple connections under the same business group but in the name under different legal entities, is not accepted.

With respect to aggregation of multiple connections, it is being clarified that this facility of group of consumers is only for the purpose of green energy open access permissibility. For the operation, commercial and settlement



purposes, each GEOA Consumer of that group shall be treated as a single connection.

With regard to the requisitions and schedules having resolution of 0.01 MW for each of the open access transaction, the Commission is of the view that defining the resolution of requisitions and schedules is a subject matter of the Indian Electricity Grid Code (IEGC) and therefore shall be dealt with accordingly therein. As per clause (h) of sub-section (1) of Section 86 the provisions of State Grid Code should be consistent with the Indian Electricity Grid Code therefore the draft Regulation has been prepared keeping in view the scheduling and despatch procedure as envisaged under IEGC. The relevant sub-clause (t)(iii) of clause (1) of Regulation 49 of IEGC in regard to issuance of day-ahead schedule is specified as under:

"All requisitions and schedules shall be rounded off to the nearest two decimals at each control area boundary for each of the transaction and shall have a resolution of 0.01 MW."

However, to avoid any inconsistency in case of updation, if any, in the IEGC the Commission decides to remove the words "of 0.01 MW for each of the open access transaction" from draft Regulations.

With regard to licence area restriction, it is noted that in view of existing billing and payment structure prevailing in the state owned Discoms the electricity division(s) is the basic unit(s) and accordingly the requirement of aggregation of multiple connections in same electricity division has been provided in the draft Regulation in line with the GEOA Rules. Whereas, for all other distribution licensees the entire licence area has been considered for the requirement of aggregation of multiple connections as per their existing billing and payment structure. However, for the sake of clarity, the words "licence area restriction" shall be substituted with the words "licence area restriction on the basis of electricity division". Also, the words "and their successor entities" shall be added after the words "& Kanpur Electricity Supply Company Limited" and before the word "only".

2.4.13 The Commission has also made suitable changes in the definition related to "Lead GEOA Consumer" in proposed clause (h-i) of Regulation 2.4 as under:

"(h-i) "Lead GEOA Consumer" means authorized representative designated among GEOA Consumers who will act as a coordinating agency on their behalf in case of green energy open access availing by aggregating contracted load / sanctioned load of hundred (100) kW & above

through multiple connections located in same electricity division of a distribution licensee as per these Regulations;"

Commented Draft Regulations -

- 2.5 The words "but not exceeding 25 years" shall be added at the end in clause (i) of Regulation 2.4 of the Principal Regulations.
- 2.5A The words "exceeding 3 months but not exceeding 5 years" shall be substituted with the words "exceeding 11 months but not exceeding 3 years" in clause (j) of Regulation 2.4 of the Principal Regulations.
- 2.5B The words "exceeding 5 years" shall be substituted with the words "exceeding 5 years but not exceeding 25 years" in Regulation 4.2 of the Principal Regulations.
- 2.5C The words "more than 3 months and up to 5 years" shall be substituted with the words "more than 11 months and up to 3 years" in Regulation 4.3 of the Principal Regulations.

Comments / Suggestions of the Stakeholders -

- 2.5.1 It was suggested to modify the said definitions of "long term open access" and "medium term open access" in line with the provisions of CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations and amendments thereof.
- 2.5.2 It was submitted that the minimum tenure for long term open access is exceeding 5 years while as per the proposal the maximum period for medium term open access is 3 years. Thus, there is a gap for the applicants considering applying for open access with a tenure of between 3-5 years. It was suggested that the upper limit for medium term open access may be considered up to 5 years. Accordingly, the words "3 years" in draft Regulations to be replaced with the words "5 years".
- 2.5.3 It was suggested to reframe the said clause in terms of GNA regime as applicable in inter-State level.

Commission's View -

- 2.5.4 The Commission notes the suggestion of one of the stakeholders to modify the said definitions of "long term open access" and "medium term open access" in line with the provisions of CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and



related matters) Regulations. In this regard, the Commission observes that under the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations (now repealed), the minimum tenure for long term access is exceeding 7 years while the maximum period for medium term open access is 5 years. Thus, there is a gap for the applicants considering applying for open access with a tenure of between 5-7 years.

Regarding the suggestion to reframe the said clauses in terms of General Network Access (GNA) regime as applicable in inter-State level, it is being clarified that the GNA framework is not implemented in intra-State level in the State of Uttar Pradesh and still earlier Open Access regime is in continuance in the State. However, it has been proposed in draft Regulations that maximum tenure for short open access is 11 months which is similar to maximum tenure of T-GNA.

Considering above, the Commission regarding modification in the upper limit for medium term open access is of the view that there is no requirement to accept the same and therefore, the Commission decides to retain the provision as proposed in the draft Regulations.

Commented Draft Regulations -

- 2.6 The words “(including green energy open access)” shall be added after the words “one who consumes electricity through open access” and before the words “from a person” in clause (o) of Regulation 2.4 of the Principal Regulations.

Comments / Suggestions of the Stakeholders -

- 2.6.1 One of the stakeholders submitted that part open access consumer continues to be the consumer of Discom, and full open access consumer will not be a consumer of Discom and they need to surrender their contract demand. Clarification was sought whether this understanding is correct or not.

It has also sought clarification that in case contract demand is not to be surrendered for full open access consumer, why would an open access consumer be required to pay standby charges? Now, maintaining the contract demand, along with paying fixed charge of the same, and further bearing the burden of stand-by charges is a major financial liability for open access consumers.



Commission's View –

- 2.6.2 As regard the comment of stakeholder, the Commission clarifies that part open access consumer continues to be the consumer of Discom in addition to consuming electricity through open access from a person other than distribution licensee of his area of supply. As such there is no requirement for the standby charges and therefore shall not be applicable to part open access consumers.

Whereas full open access consumer is not a consumer of Discom and does not need to maintain any contract demand with Discom and therefore does not require to pay any fixed charges. Such a full open access consumer meets his entire electricity requirement through open access. The full open access consumer shall also have the option to arrange standby power from the distribution licensee of his area of supply under these Regulations.

3. Amendment to Regulation 7 of the Principal Regulations:

Commented Draft Regulations -

- 3.1 Two new provisos shall be added after first proviso to Regulation 7.3 as under:

"Provided further that cross subsidy surcharge and additional surcharge shall not be applicable in case power produced from a non-fossil fuel based Waste-to-Energy plant is supplied to GEOA Consumer:

Provided also that cross subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia:"

Comments / Suggestions of the Stakeholders -

- 3.1.1 UPPCL, with regard to proposed insertion of new provisos to Regulation 7.3, submitted that cross subsidy surcharge (CSS) and additional surcharge are imposed on open access consumers who purchase electricity from sources other than their Discom utility. CSS compensates the utility for revenue loss and helps maintain subsidies/cross subsidization for other consumer categories, while the additional surcharge covers the utility's fixed costs for maintaining the grid infrastructure, even when these consumers do not purchase electricity directly from the utility.

Further with regard to proposed new proviso to Regulation 18.1 related to non-applicability of additional surcharge in case of offshore wind projects,



UPPCL submitted that the proposal to exempt offshore wind projects commissioned up to December 2025 from the additional surcharge could adversely affect Discoms' revenue, as they currently rely on this surcharge to cover grid infrastructure costs. Although no additional surcharge applies at present, reducing the limit for green energy open access to 100 kW may increase open access transactions in the future, making this surcharge applicable. To support the growth of offshore wind projects without compromising Discoms' financial stability, it is crucial to consider alternative support mechanisms that balance incentives with the need for fair cost recovery.

Further the reduction of green energy open access limit to 100 kW, will attract large number of particularly large industrial or commercial users, who opt for open access to purchase electricity from sources other than their state utility. Eliminating the CSS and additional surcharge could lead to significant financial strain on utilities, as they would lose revenue from large consumers who opt for cheaper open access options. This loss could force utilities to raise tariffs for residential and agricultural consumers, who currently benefit from cross-subsidies. Additionally, without the additional surcharge, distribution utilities might struggle to recover the fixed costs of maintaining the grid, potentially leading to underinvestment in infrastructure and higher costs for remaining consumers.

Therefore, UPPCL suggested that the exemption or gradual reduction of the cross-subsidy surcharge and additional surcharge should be accompanied by alternative mechanisms to recover these costs, ensuring that Discoms remain revenue-neutral. Alternatively, the cross-subsidy surcharge and additional surcharge may be waived for certain classes of consumers for a period of (*) years from the date these regulations take effect, provided that alternative cost recovery measures are implemented to maintain financial stability for the Discoms.

- 3.1.2 Another stakeholder suggested extending the benefit of waiver of the cross subsidy and additional surcharge for the power produced from solar and wind sources also.

Commission's View –

- 3.1.3 The Commission notes the suggestions of UPPCL. As per Rule 3, the GOEA Rules are applicable for generation, purchase and consumption of green

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energy as defined under clause (d) of Rule 2, including energy from Waste-to Energy Plants. Further, as per Rule 9 Sub Rule (2), cross subsidy surcharge and additional surcharge are held to not apply in case of power produced from a non-fossil fuel based Waste-to Energy Plant supplied to the open access consumer. The said Rule 9 Sub-Rule (2) also provides that cross subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia. However, there is no such waiver of the cross subsidy surcharge and additional surcharge for the solar and wind power. The Commission is of the view that it is necessary to take appropriate action for implementation of the GEOA Rules to fulfil the national objectives in a coherent manner and therefore the similar provisions have been proposed in the draft Regulations aligning with the GEOA Rules. Further, the suggestion to extend the benefit of such waiver of the cross subsidy and additional surcharge for the power produced from solar and wind sources, is not accepted herein. Therefore, no change is required in both the provisos of the draft Regulations.

Commented Draft Regulations -

- 3.2 Seventh proviso to Regulation 7.3 of the Principal Regulations shall be substituted as under:

"Provided that prior to grant of open access, consumer shall enter into connection agreement in accordance with UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 whereas in case of consumer who is connected with the system of distribution licensee, the said connectivity agreement should be in line with the existing connectivity agreement with transmission system incorporating suitable modification in consultation with distribution licensee, as the case may be:"

Comments / Suggestions of the Stakeholders -

- 3.2.1 UPPTCL sought clarification as UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 is applicable for UPSTU only, then how Discom will sign connection agreement?

Commission's View -

- 3.2.2 As regards UPPTCL's comment, it is being clarified that the UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 and amendment thereof specifies for execution of connection agreement by intending user(s) including open access consumer who is connecting with the



intra-State transmission system of STU/any other transmission licensee. The procedure approved thereunder further provides model connection agreement(s) with respect to connectivity with intra-State transmission system.

Further in case of inter-connection to distribution licensee's system, clause (7) of Regulation 6 of CEA (Technical Standards for Connectivity to the Grid) Regulations 2007 and amendment thereof provides for execution of connection agreement between the intending user(s) and distribution licensee. However, at present there is no model connection agreement in any of the Regulations of the Commission for its execution with distribution licensee and therefore it has been proposed in the draft Regulations that in case of open access consumer who is connecting with the system of distribution licensee, the connectivity agreement should be in line with the existing connectivity agreement with transmission system incorporating suitable modification in consultation with distribution licensee, as the case may be. However, for the sake of clarity, the words "the said connectivity agreement should be in line with the existing connectivity agreement with transmission system" shall be substituted with the words "the connection agreement should be in line with the existing model connection agreement with intra-State transmission system".

4. Amendment to Regulation 15 of the Principal Regulations:

Commented Draft Regulations -

- 4.1 A new clause (ix) shall be added to Regulation 15.4 of the Principal Regulations as under:

"(ix) In case of reduction or cancellation due to under-utilisation of the open access capacity under Regulation 15.4, open access customer shall be liable to pay 75% of applicable open access charges for such period of reduction or cancellation in addition to full open access charges on revised capacity during remaining period of transaction."

Comments / Suggestions of the Stakeholders -

- 4.1.1 UPPCL submitted that open access customer charging only 75% of applicable open access charges for under-utilized capacity places an unfair financial burden on the Discoms. Discoms invest in and maintain the infrastructure necessary to ensure reliable power supply, regardless of whether open access customers fully utilize their allocated capacity. If customers are allowed to



reduce or cancel capacity without bearing the full cost, Discoms are left to cover the shortfall, potentially leading to revenue losses and compromising their ability to invest in grid maintenance and upgrades.

Moreover, this reduced charge might incentivize customers to overestimate their capacity needs, knowing they can later reduce it at a discounted rate, further complicating demand forecasting and grid management for Discoms. To ensure financial stability and the continued reliability of the power supply, it is crucial that open access customers bear the full cost of their commitments, even in cases of under-utilization. This approach aligns with the principles of fair cost recovery and ensures that the financial health of Discoms is not compromised. UPPCL suggested to replace the figure "75%" with the figure "90%" in the proposed new clause.

4.1.2 Another stakeholder stated that the option to revise the open access approval provides flexibility and allows open access customers/generators to revise the schedule on account of any unforeseen power requirement/generation. Further, the unutilised transmission/distribution capacity/corridor which has been surrendered by open access customer is available for allotment to others, open access charges shall be billed to these now customers. In such case having such hefty penalties for non-utilization of open access approval under STOA, which is 75% in addition to the already applicable charges, will deter open access in the State. It was suggested that the penalty for non-utilization of open access approval under STOA to be 50% of the applicable STOA charges and the balance open access charges be refunded to the open access applicant.

4.1.3 It was stated that the customer may not be utilizing the entire open access capacity in all the time blocks for a day as the customer demand is variable in nature. In addition, customer sourcing power from renewable energy through open access shall be able to consume power only during certain hours in a day. Therefore, the consumer should not be penalized for underutilization, instead the transmission corridor due to underutilization may be accommodated for the short-term transactions. It was suggested to add a new proviso to the proposed clause (ix) as under:

Provided that no reduction will be allowed in case of under-utilization of open access capacity under Regulations 15.4 by GEOA consumers.



- 4.1.4 It was stated that in the event of reduction or cancellation due to under utilisation of short term open access capacity, customer was already paying open access charges for the full capacity. Therefore, levying any open access charges on already surrendered the reduced or cancelled capacity for the least priority customer while granting open access is adding a burden. Therefore, it was suggested to remove the requirement of paying additional 75% open access charges on the surrendered capacity and accordingly the following changes was suggested in the proposed clause:

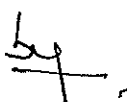
In case of reduction or cancellation due to under-utilisation of the open access capacity under Regulation 15.4, open access customer shall be liable to pay ~~75% of applicable open access charges for such period of reduction or cancellation in addition to full open access charges on revised capacity during remaining period of transaction.~~

- 4.1.5 It was suggested to specify the time period of number of consecutive days of under-utilisation to occur on the consumer side for such notice to be issued. It was further submitted that since the open access capacity has been already reduced by the SLDC after the 3-day notice period, therefore, the consumer shall not be liable to pay any extra open access charges for the reduced or cancelled capacity. It was suggested modifying the proposed clause as under:

In case of reduction or cancellation due to under-utilisation of the open access capacity under Regulation 15.4, open access customer shall be liable to pay ~~75% of applicable open access charges for such period of reduction or cancellation in addition to full open access charges on revised capacity during remaining period of transaction~~ not be liable to pay any additional open access charges for the reduced or cancelled capacity.

Commission's View –

- 4.1.6 UPPCL suggested that open access customer should be charged with 90% of applicable open access charges for under-utilized capacity whereas one of the stakeholders suggested that the penalty for non-utilization of open access under STOA to be 50% of the applicable STOA charges. Another stakeholder suggested that green energy open access consumers should not be penalized for underutilization of short term open access capacity. The other two stakeholders emphasised that open access customers should not be liable to pay any additional open access charges for the reduced or cancelled capacity. The Commission has considered the suggestions of the stakeholders and is of the opinion that open access customer has the option to cancel or revise



downwards on an application made to the Nodal Agency under existing Regulation 15.1. Such customer shall pay 25% of open access charges on surrendered capacity in addition to full open access charges on revised capacity during remaining period of transaction under existing Regulation 15.3. Whereas in case any open access customer is frequently under-utilizing open access capacity which has been reduced or cancelled by SLDC on its motion after giving notice and opportunity of being heard to the customer as per Regulation 15.4, such open access customer be liable to pay 75% of applicable open access charges for under-utilized capacity as per proposed clause (ix). The customer is itself responsible for payment of higher applicable open access charges (75% in place of 25%) for under-utilized capacity under Regulation 15.4 which is initiated by SLDC on its motion rather than on an application of customer. In this regard, the Commission is of the view that the deterrent should be adequate for frequent under-utilising the open access capacity and at the same time such deterrent should not be excessive. Therefore, the Commission decides to substitute the figure "75%" with the figure "50%" in the proposed new clause.

- 4.1.7 Further, in order to provide clarity, it is necessary to update the Regulation 15.7 of the Principal Regulations and therefore the Commission decides to substitute the same as under:

"The discount rate that shall be applicable for computing the net present value in case of both long term & medium term open access shall be the discount rate for computation of levelized transmission charges for the purpose of bid evaluation for projects based on the old Standard Bidding Documents (SBDs) and Guidelines as specified by CERC from time to time."

5. Amendment to Regulation 18 of the Principal Regulations:

Commented Draft Regulations -

- 5.1 Two new provisos shall be added to Regulation 18.1 of the Principal Regulations as under:

"Provided that additional surcharge shall not be applicable for GEOA Consumer, if fixed charges are being paid by such a 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 GEOA Consumer."

Comments / Suggestions of the Stakeholders -



5.1.1 It was submitted that as per the current retail tariff structure approved by the Commission for FY 2023-24, all consumer categories have two part tariff comprising of fixed/ demand and energy charges. Therefore, in view of the proposed provision, clarification was sought that in case demand charge is being paid by the green energy open access consumer on the contract demand maintain with the Discom, would additional surcharge be still applicable?

5.1.2 Clarification was sought that additional surcharge will not be applicable for any green energy open access consumer, in line with the latest Supreme Court ruling dated 09.10.2023.

Further, an additional surcharge shall not be applicable to a captive consumer as per Section 42 of the Act, which has also been clarified in the Supreme Court order Nos. 112-113 of 2022 / 15.03.2022. Therefore, it was suggested that a proviso to be added before both first & second draft proviso as under:

Provided that additional surcharge shall not be applicable for consumers procuring power from captive generating plant.

5.1.3 It was suggested to add the following in line with the Rules:

Provided that for a person availing General Network Access or Open Access, the additional surcharge shall be linearly reduced from the value in the year in which General Network Access or Open Access was granted so that, if it is continued to be availed by this person, the additional surcharge shall get eliminated within four years from the date of grant of General Network Access or Open Access:

5.1.4 It was suggested to include the non-applicability of additional surcharge for all wind, and hydro projects too instead of 'Offshore wind projects' only.

5.1.5 Further with regard to proposed new proviso to Regulation 18.1 related to non-applicability of additional surcharge in case of offshore wind projects, it was suggested that the figure "2025" to be replaced with the figure "2032" in line with the Rule 9(2) of the GEOA Rules.

Commission's View –

5.1.6 It is being clarified that part open access consumer continues to be a consumer of Discom in addition to consuming electricity through open access. In such a case SLDC shall issue energy account and quantify the electricity and demand of open access power as well as of Discom power. The demand charges/fixed charges shall be applicable to Discom power against contract

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load/sanctioned load with Discom as per retail tariff order, however additional surcharge shall not be applicable on such Discom power.

5.1.7 In view of few apprehensions raised during public hearing it is being clarified that no cross subsidy surcharge can be imposed in case open access is availed by licensees covered under Section 14, bodies which are exempted under Section 13, generating companies and captive generating plants. Further, it is clarified that in accordance with Hon'ble Supreme Court judgement additional surcharge shall also not be levied on captive consumptions/users receiving electricity from its captive generating plant.

5.1.8 The suggestion to include non-applicability of additional surcharge for all wind, and hydro projects too instead of 'Offshore wind projects' only, is not accepted as there is no such provision in the GEOA Rules.

The figure "2025" to be replaced with the figure "2032" in line with Rule 9(2) of the GEOA Rules.

6. Amendment to Regulation 20 of the Principal Regulations:

Commented Draft Regulations -

6.1 A new Regulation, namely, Regulation 20.3 shall be added after Regulation 20.2 of the Principal Regulations as under:

"20.3 For the purposes of these Regulation, "Standby Charges" means the charges applicable to full open access consumers towards the standby arrangement provided by the distribution licensee of the area of supply, in case the open access consumer is unable to procure / schedule power from the generating sources with whom they have the agreements to procure power due to outages of generator, transmission assets and the like. Such standby charges for maintaining standby arrangements for such consumers should be reflective of the costs incurred by distribution licensee for providing these support services."

Comments / Suggestions of the Stakeholders -

6.1.1 It was submitted that as per the GEOA Rules, if the consumer submits requirement for standby power on or before D-1 day (where D is the delivery day), then such a consumer shall get the standby arrangement from the Discom at a retail tariff specified in the tariff order. Alternatively for immediate requirements, the standby arrangements shall be made available at upto 1.25 times the tariff mentioned in the retail tariff. It was suggested to specify the standby charges in similar line to the GEOA Rules.

- 6.1.2 UPSLDC submitted that as per this provision, Discom has to provide standby power in case the full open access consumer is unable to procure power from any of its source. It means UPSLDC has to issue energy account of full open access consumer clearly clarifying the time blocks in which the schedule from open access is zero and the consumer has actually drawn the power. Discom will charge against the energy drawn by consumer with zero schedule. Further, if the consumer has non-zero schedules in any time block, then UPSLDC will apply DSM on this time block.

Time Block	Open Access Schedule	Actual Drawl	Commercial
15	0	5	Standby Charges
16	1	5	DSM

It has been requested to suggest UPSLDC if there is any discrepancy.

Commission's View –

- 6.1.3 The Commission notes the suggestions of stakeholders. Tariff Policy 2016 provides that in case of outages of generator supplying to an open access consumer, standby arrangements should be provided by the distribution licensee on the payment of tariff for temporary connection to that consumer category as specified by the Appropriate Commission. However, such charges shall not be more than 125 percent of the normal tariff of that category. Further, it has been clarified in the GEOA Rules that the charges for maintaining standby arrangements for open access consumers should be reflective of the costs incurred by distribution licensee for providing these support services.

All consumer categories have two part tariff comprising of fixed/demand and energy charge and accordingly standby charges comprising of two part tariff is prevailing in the State of UP through the Principal Regulations. Therefore, in clause (ii) of Regulation 20.2 of the Principal Regulations, the words "1.5 times" has been proposed to be substituted with the words "1.25 times".

Considering the above, the Commission decides to retain the provision as proposed in the draft Regulations.

7. New Regulation 20A: Load Imbalance Settlement Charges:

Commented Draft Regulations –



- 7.1 A new Regulation, namely, Regulation 20A shall be added after Regulation 20 of the Principal Regulations as under:

"20A. Load Imbalance Settlement Charges-

20A-1 Notwithstanding anything contained in these Regulations, Load Imbalance Settlement (hereinafter referred to as LIS) Charges shall be applicable to part open access consumer, if such part open access consumer is fed through mixed feeder (not an independent feeder) and has opted exemption from implementation of DSM.

20A-2 LIS Charges shall be applicable on the open access energy scheduled by such part open access consumer:

Provided that LIS Charges shall be ten (10) percent of the energy charge applicable to respective consumer category.

....."

Comments / Suggestions of the Stakeholders -

- 7.1.1 Regarding draft Regulation 20A-1, UPPCL suggested the following modification:

"Notwithstanding anything contained in these regulations, Load Imbalance Settlement (herein after referred to as LIS) Charges shall be applicable to part open access consumer."

Further, Regulation 28.1 specifies the accounting procedure in case of open access for a part open access consumer which can be connected through independent feeder or through mixed feeder. The quantum of energy after the settlement of open access energy in actual drawal by a part open access consumer shall be treated as electricity supplied from distribution licensee i.e. deviation energy accounted in actual drawal after settlement of open access energy shall be irrespective of their connectivity with the electrical grid. And for such type of drawee entity (part open access consumer either connected through independent feeder or through mixed feeder) DSM charges under the DSM Mechanism shall not be applicable.

Further, considering ABT metering modalities and scheduling modalities (against sanctioned load schedule + open access schedule) under DSM Mechanism for Discom consumer upto 100 kW sanctioned load as a part open access consumer, it will be unnecessary burden for scheduling power for the part open access consumer (Discom consumer) against sanctioned load + open access at consumer end as well as metering modalities at Discom level.



Therefore, UPPCL suggested that applicability of DSM to part open access consumer shall not be prudent and scheduling of power against sanctioned load not allowed in the Supply Code.

- 7.1.2 One of the stakeholders suggested to extend the option of exemption from paying DSM by participating in LIS mechanism for the consumers connecting to an independent feeder as well.

Clarification was sought how the open access settlement will be done in case a consumer seeks exemption from DSM and opts for LIS. Will it be a TOD wise settlement or 15-min time block wise settlement?

- 7.1.3 Another stakeholder stated that there is no provision in the Act or any of the Regulations of the Commission to levy such charges or the principles of levying such charges. In the absence of any legal provision, it was suggested not to levy such charges and therefore remove the proposal of levying LIS Charges.

- 7.1.4 NPCL stated that the introduction of deviation settlement mechanism for intra-State open access was very much necessary for the maintenance of grid discipline. However, providing the options to the consumer for opting between LIS Charges vs DSM should not be exercised.

NPCL suggested that proposed Regulation 20A should be deleted. The deviation charges in terms of applicable DSM regulations should be levied upon the open access consumers deviating from their schedules. Similarly, proposed proviso to Regulation 29.1 should be deleted.

NPCL further submitted that even if the provision is required to be retained, the applicable LIS Charges should be increased and therefore suggested that LIS Charges shall be ten percent of the energy charge rate of Temporary Tariff applicable to respective consumer category.

- 7.1.5 Regarding draft Regulation 20A-2, UPPCL appreciated the introduction of LIS Charges and further submitted that the proposed rate of 10% of energy charges may not adequately cover the costs associated with maintaining grid stability. UPPCL suggested to consider a higher percentage, such as 50%, or implementing a more dynamic pricing mechanism such as TOD mechanism. This approach could better address the applicability of energy charges, ensuring more comprehensive compensation for the expenses involved in maintaining a stable and reliable grid.

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- 7.1.6 One of the stakeholders submitted that as per current practice in the State, the generator supplying power to open access consumer submits schedule on behalf of its consumer at generator end, which is then utilized by UPSLDC to compute scheduled entitlement based on the applicable losses. Clarification was sought that the settlement of energy wheeled by the GEOA consumer opting for LIS, shall also be done on scheduled energy submitted by the generator on its behalf.

Furthermore, the LIS Charges of 10% of the energy charge is excessively high. For a commercial consumer with an energy charge rate of Rs. 8.75/kWh, this translates to an LIS of Rs. 0.88/kWh. For a HV-2 consumer with an average tariff rate of around Rs 6.80/kWh for 33 kV & above and Rs 7.10/kWh for 11 kV, the per unit LIS will come around Rs 0.7/kWh. GEOA consumers are already subject to penal charges if their drawl from the system exceeds their contracted demand. In most cases, these GEOA consumers are likely to be under-drawing or drawing upto their contracted demand thereby not impacting the Discom's system. Therefore, it was suggested to impose a more moderate LIS Charges of around 2% of the energy charge.

- 7.1.7 With regard to draft Regulation 20A-1 and Regulation 20A-2 another stakeholder stated that since LIS has been introduced on the similar basis of deviation charges hence it must be applicable on actual imbalance that have been created due to difference between the higher scheduled injection against lower actual injection and vice versa rather than imposing LIS on per unit basis on every unit of open access power that have been supplied to these 100 kW or others alike GEOA consumers.

Further, the introduction of such high amounts of LIS Charges will also result in violation of Section 42 of the Act which guarantees the right of equitable treatment by the State in providing open access to eligible applicants.

Hence, it was suggested to either decrease the rate of LIS from 10% to 5% of the energy charge or introduce its applicability only in case of imbalance between scheduled and actual injection rather than applying the same on per unit of green energy open access transaction.

- 7.1.8 Another stakeholder stated that LIS Charges under proposed Regulation 20A-1 and Regulation 20A-2 can impose additional charges on part open access consumers. The extra cost of 10% on the energy charge could be a financial



burden, especially if these consumers were expecting to avoid such charges by opting for open access.

Commission's View –

- 7.1.9 The Commission has considered the suggestions of stakeholders. One of the stakeholders suggested there is no provision in the Act or any of the Regulations of the Commission to levy such charges or the principles of levying such charges and therefore it was suggested not to levy such charges and therefore remove the proposal of levying LIS Charges. Another stakeholder suggested to extend the option of exemption from paying DSM by participating in LIS mechanism for the consumers connecting to an independent feeder as well. Clarification was sought how the open access settlement will be done in case a consumer seeks exemption from DSM and opts for LIS.

UPPCL suggested that DSM charges under the deviation settlement mechanism should not be applicable for part open access consumer either connected through independent feeder or through mixed feeder and instead LIS Charges to be applicable to such part open access consumer. UPPCL further suggested to consider a higher percentage, such as 50%, or implementing a more dynamic pricing mechanism such as TOD mechanism.

NPCL suggested that the introduction of DSM as proposed was very much necessary for the maintenance of grid discipline. However, providing the option to the consumer for opting between LIS Charges vs DSM should not be exercised. NPCL further submitted that even if the provision is required to be retained, the applicable LIS Charges should be increased and therefore suggested that LIS Charges should be ten percent of the energy charge rate of Temporary Tariff applicable to respective consumer category.

It was suggested by one of the stakeholders to impose a more moderate LIS Charges of around 2% of the energy charge. Another stakeholder suggested to either decrease the rate of LIS from 10% to 5% of the energy charge or introduce its applicability only in case of imbalance between scheduled and actual injection rather than applying the same on per unit of green energy open access transaction.

- 7.1.10 The Commission observes that as per draft Regulations LIS Charges shall be applicable to part open access consumer, if such part open access consumer

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is fed through mixed feeder and has opted exemption from implementation of DSM. Since the principle of levying such charges has arisen on account of proposed implementation of DSM at open access consumer end, it is prudent to deliberate the issues raised herein under draft Regulation 20A with the issues raised under draft Regulation 21 (DSM Charges) in subsequent paras.

8. Amendment to Regulation 21 of the Principal Regulations:

Commented Draft Regulations -

8.1 Regulation 21.2 and Regulation 21.3 (with Table) of the Principal Regulations shall be substituted as under:

"21.2 Deviation between scheduled injection / drawal and actual injection / drawal of STU / Discom connected generator (except for solar and wind generating plant), distribution licensee and open access consumer in respect of intra-State open access transaction will be settled as per DSM Regulations specified by Central Commission:

Provided that for the purpose of DSM, scheduled drawal in a time block for a part open access consumer means total scheduled drawal aggregating entitlement(s) of such consumer from open access and from distribution licensee of the area of supply.

21.3 Deviation between scheduled injection and actual injection of STU / Discom connected solar and wind generating plant in respect of intra-State open access transaction will be settled as per UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulation, 2018 and amendments thereof.

21.4 Notwithstanding anything contained in these Regulations, part open access consumer if is fed through mixed feeder (not an independent feeder) shall have an option of exemption from implementation of DSM. However, such part open access consumer shall be liable to pay Load Imbalance Settlement Charges as per Regulation 20A of these Regulations.

21.5 Over draws / under draws along with the commercial treatments in case of open access consumer with implementation of DSM or of part open access consumer opted exemption from DSM as per Regulation 20A, will be settled as per UPEGC / IEGC."

Comments / Suggestions of the Stakeholders -

8.1.1 Regarding draft Regulation 21.2, UPPCL submitted that in case of full open access consumer, the entitlement from open access schedule + entitlement from distribution licensee (against his load sanction in a standby arrangement, if any) can be made. Further this entitlement shall be zero for



a full open access consumer in case of there is no standby arrangement with distribution licensee. In view of above, UPPCL suggested the following proviso as under:

"Provided that for the purpose of DSM, scheduled drawal in a time block for a full open access consumer means total scheduled drawal aggregating entitlement(s) of such consumer from open access and from distribution licensee of the area of supply."

8.1.2 UPSLDC submitted that UPSLDC has to incorporate necessary updation software to capture the Discom schedule entitlement which is to be filled by part open access consumer on the software.

8.1.3 Regarding draft Regulation 21.3, UPSLDC submitted that as per current provision of UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulation 2018, the final schedule in case of consumer procuring power from solar generators under intra-state open access is being replaced by the actual generation while preparing the monthly energy account of consumers.

In case DSM implemented for part open access consumer, then the consumer must adhere to the schedule given to them for minimum deviation. Accordingly, the replacing of real time schedule with actual generation of solar plants needs to be amended.

8.1.4 UPNEDA stated that since forecasting in renewable energy is still in its nascent stages, it was suggested that deviation in case of green energy open access may be exempted from deviation charges or else the deviation charges may be reduced.

8.1.5 One of the stakeholders suggested to waive off the fixed charge if the quantum is being considered under DSM.

8.1.6 Another stakeholder submitted that consumer should not have to pay any DSM provided they are within his contract demand limit with the distribution licensee.

8.1.7 It was submitted that supplier is already bearing the penalty for supply side errors in forecasting and scheduling as per UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulations, 2018. Leaving DSM on consumer side will be in effect



will be a double jeopardy. Therefore, DSM should not be applicable on the consumer side and should only be on the generator.

8.1.8 It was submitted that currently, Regulation 21.3 of the Principal Regulations allows consumers a one-month period to consume power within the same TOD slot in case of under-drawl. However, with the proposed implementation of DSM, the same will no longer be available and shall be a significant deterrent for offtake of green energy by GEOA consumers. Therefore, it was suggested to retain Regulation 21.3 of the Principal Regulations without changes.

8.1.9 Regarding draft Regulation 21.4, UPPCL suggested the following modification:

"Notwithstanding anything contained in these Regulations, implementation of DSM shall not be applicable to part open access consumers. However, such part open access consumer shall be liable to pay Load Imbalance Settlement Charges as per Regulation 20A of these Regulations."

The rationale was already provided by UPPCL in draft Regulation 20A-1.

8.1.10 Regarding draft Regulation 21.5, NPCL submitted that the introduction of a commercial mechanism for deviation settlement for intra-state open access was very much necessary for the maintenance of grid discipline. Several generators/consumers connected to intra-State distribution network are seeking open access, and their deviations should also be settled through DSM regulations.

Most of the State Commissions have introduced the deviation settlement mechanism for intra- State open access consumers. The deviation mechanism is already implemented in the States- Delhi, Rajasthan, Maharashtra, Haryana.

NPCL has suggested the following modification:

"21.1

21.2 Deviation between scheduled injection / drawal and actual injection / drawal of STU / Discom connected generator (except for solar and wind generating plant), distribution licensee and open access consumer in respect of intra-State open access transaction will be settled as per DSM Regulations specified by Central Commission: at higher of the applicable deviation rates (as notified in CERC Deviation Settlement Mechanism Regulations 2014 amended from time to time) or energy charge at rate of Temporary Tariff



applicable for that consumer category as determined by the Commission from time to time. No compensation in case of under drawl by the consumer.

Provided that for the purpose of DSM, scheduled drawal in a time block for a part open access consumer means total scheduled drawal aggregating entitlement(s) of such consumer from open access and from distribution licensee of the area of supply.

21.3

~~21.4 Notwithstanding anything contained in these Regulations, part open access consumer if is fed through mixed-feeder (not an independent feeder) shall have an option of exemption from implementation of DSM. However, such part open access consumer shall be liable to pay Load Imbalance Settlement Charges as per Regulation 20A of these Regulations.~~

Note- To be removed if LIC charges are withdrawn by the Commission.

~~21.5 Over drawals /under drawals along with the commercial treatments in case of open access consumer with implementation of DSM or of part open access consumer opted exemption from DSM as per Regulation 20A, will be settled as per UPEGC / IEGC."~~

8.1.11 One of the stakeholders submitted that the Discoms schedule (including that of part open access consumers) deviates as a result of changes in demand of consumers who have contracted capacity with the Discom. Such cost of DSM charges is pass through as per UPERC MYT Regulations 2019 as there is already a provision of DSM taken into account while calculating the tariff. Further, DSM settlement as per CERC DSM Regulations only applies to open access schedule. Therefore, schedule of power from the Discom should not be required to be submitted along with the open access schedule.

8.1.12 It was stated that the draft Regulations provide for adjustment on 15 minutes time block basis as against the adjustment in same TOD hour slot within the same billing cycle only as is available in the present Regulations wherein, over injections/under-injections and over drawls/under drawls in various kind of situations along with the commercial settlement in each situation have been captured in the table provided under Regulation 21.3. Therefore, it was suggested to retain Regulation 21.3 of the Principal Regulations without changes.

8.1.13 It was suggested let the existing Bill Settlement points no. 9, 10, 11, 12 & 17 as per the Bill Settlement table to subsist.

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8.1.14 With respect draft Regulation 20A & Regulation 21, the following were submitted by stakeholder:

(a) The various charges such as transmission charges, wheeling charges, cross subsidy charges etc. have been levied on power purchased through open access. For each unit of power purchased through open access the Power Corporations are generating a revenue of approx. ₹2.00 per unit in the form of transmission charges, wheeling charges, cross subsidy surcharge etc. Further, various losses are also loaded on the open access consumers. Consumer purchasing power from open access also has to pay the demand charges for the entire load every month to the Discoms. For a 33 kV consumer the average saving on power purchased through open access is hardly ₹0.50 to ₹0.75 per unit. The above submission elaborates that-

- Cost of open-access power to consumers is only marginally cheaper than the prevailing cost of Grid power.

- Discoms are already generating substantial revenue in the form of various charges on power purchased through open access.

(b) The total energy billed to open access customers is 1850.76 MUs out of a total of 137731.21 MUs of energy billed by UPPTCL in the year. Accordingly, the share of open-access customers is very small i.e. only 1.34% and therefore does not have much impact on the Power Corporation in terms of revenue or on the load balance of the Grid.

(c) Execution of DSM is a very complex process, and precise advance scheduling will be required, failing which will lead to various charges/penalties. With only a nominal saving in the cost of power purchased from open access, such complex scheduling and charges thereon will make the open access power non-feasible.

The above submission elaborates that the share of open access in states power consumption is very nominal and has minimal impact on load balancing (technical perspective) and revenue (commercial perspective). Introduction of complex mechanisms like DSM and LIS would ultimately make the open access power non-feasible to consumers and the principal intention of the government of Uttar Pradesh of providing an alternate option to consumers to purchase power at a competitive rate will be defeated. It was requested



that the open access mechanism in the state be kept simple and transparent with minimum charges.

- 8.1.15 It was stated that the over draws/under draws and commercial treatments under draft Regulation 21.5 ensures that commercial treatments are standardized but does not alleviate the financial implications for deviations or the complexities involved.

In view of the above, it was submitted that the overall impact of the statement is more negative for open access consumers. The imposition of deviation charges and LIS Charges for part open access consumers who opt out of DSM, coupled with the complexities of settlement and commercial treatments, adds financial and operational burdens.

- 8.1.16 With regard to inclusion of energy from distribution licensee in drawal schedule under proposed proviso to Regulation 21.2, the following comments were made by the stakeholder:

(a) There are two components of total demand of open access consumers i.e. scheduled open access capacity and contracted capacity with Discoms. While planning for scheduled open access capacity is to be done by consumers themselves, the planning for contracted capacity of consumers is to be done by Discom. Therefore, DSM should be applicable on schedule open access capacity for open access consumers and for contracted capacity DSM should be applicable only on Discoms.

(b) The draft Regulation will require planning not only by Discoms but also by its consumers thereby making the entire system more complex without achieving any benefit or contributing towards greater stability of grid.

(c) The consumers that are covered by LIS or DSM are the same in nature i.e. both are part open access consumers. Thus, treatment of part open access consumers under Regulation 21 should be same as part open access consumers under Regulation 20A-2.

(d) Rather, if part open access consumers have to give schedule for contracted capacity with Discom, it should be made applicable for all categories of consumers.

(e) According to the definition under CERC DSM Regulations, the DSM has to be determined on the power that has been scheduled by open access consumer. It does not provide for schedule on power contracted with Discom.

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This principle has to be adopted while adopting other provisions of DSM. Thus, deviation is being made applicable as per CERC DSM Regulations but definition of drawal has been modified for part open access consumers. It was requested that the definition of drawal should also be kept same as that of CERC DSM Regulations which is as below:

"Scheduled drawal' for a time block or any period means the schedule of drawal in MW or MWh ex-bus, including the schedule for Ancillary Services given by the concerned Load Despatch Centre;"

(f) The schedule can be given by SLDC for open access transactions only. Hence, as per legal framework schedule can only include such transactions that are managed by SLDC which excludes schedule of contracted capacity with Discoms.

(g) The Discoms schedule energy considering expected consolidated demand of all consumers who have contracted capacity with the Discom, including demand of part open access consumer. There can be variation in demand of consumers in real time because of which under drawal or over drawal of Discoms may occur. In this regard, a mechanism is already in place for Discoms to recover the DSM charges as per Regulation 14.7 of UPERC MYT Regulation 2019 therefore there is no need to bring the contracted capacity of part open access consumers under the ambit of DSM and will amount to double accounting.

(h) Several accounts will have to be maintained by the Discoms, and it may become a tedious task to reconcile the total DSM charges for the Discoms, charges paid by part open access consumers and balance amount to be passed as part of ARR.

8.1.17 With respect to DSM for full open access consumes, it was submitted that it is difficult for full open access consumers to do accounting on 15 minute basis and therefore submitted to consider DSM based on monthly consumption rather than on 15 minute time block basis considering peak and off-peak hours. It was suggested that the following charges may be adopted:

(a) In case of overdrawal – Standby charges or LIS provided in Regulation 20A (Generally these will be much higher than DSM charges on 15 minute basis)

(b) In case of underdrawal – Such energy may get lapsed or banked for next month





It was submitted that in all the States, the regulations for deviation settlement do not provide for schedule by open access consumers for contracted capacity with Discom. Schedule is applicable only for open access energy and not on contracted capacity with Discom and therefore have suggested to retain the existing provisions.

Commission's View –

8.1.18 The Commission has considered the suggestions of stakeholders. UPPCL submitted that in case of full open access consumer, the entitlement from open access schedule + entitlement from distribution licensee (against his load sanction in a standby arrangement, if any) can be made. Further this entitlement shall be zero for a full open access consumer in case of there is no standby arrangement with distribution licensee.

UPSLDC stated that necessary updation in software be incorporated to capture the Discom schedule entitlement which is to be filled by part open access consumer on the software.

UPPCL suggested that implementation of DSM shall not be applicable to part open access consumers. However, such part open access consumer shall be liable to pay LIS Charges.

NPCL submitted that the introduction of a commercial mechanism for deviation settlement for intra-state open access was very much necessary for the maintenance of grid discipline. Several generators/consumers connected to intra-State distribution network are seeking open access, and their deviations should also be settled through DSM regulations. NPCL has suggested the modification in draft Regulation 21.

UPNEDA suggested that deviation in case of green energy open access may be exempted from deviation charges or else the deviation charges may be reduced.

One of the stakeholders stated that the replacing of real time schedule with actual generation of solar plants needs to be amended under UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulation 2018.

It was stated by another stakeholder that the supplier is already bearing the penalty for supply side errors in forecasting and scheduling as per UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar

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and Wind Generation Sources) Regulations, 2018. Levying DSM on consumer side will be in effect will be a double jeopardy. Therefore, DSM should not be applicable on the consumer side and should only be on the generator.

It was suggested by the stakeholder that consumer should not have to pay any DSM provided they are within his contract demand limit with the distribution licensee. Another stakeholder suggested to waive off the fixed charge if the quantum is being considered under DSM.

It was submitted by stakeholder that DSM settlement as per CERC DSM Regulations only applies to open access schedule and not on contracted capacity with Discom. Therefore, schedule of power from the Discom should not be required to be submitted along with the open access schedule.

It was stated that Discoms schedule (including that of part open access consumers) deviates as a result of changes in demand of consumers who have contracted capacity with the Discom. In this regard, a mechanism is already in place for Discoms to recover the DSM charges under UPERC MYT Regulation 2019 wherein DSM charges is allowed to be passed through in tariff and therefore there is no need to bring the contracted capacity of part open access consumers under the ambit of DSM otherwise it will amount to double accounting.

It was suggested to keep part open access consumer out of the purview of DSM charges by deleting draft Regulation 21.2 & Regulation 21.4 and by retaining existing Regulation 21.3 (along with Bill Settlement Table) of the Principal Regulations without changes.

With respect draft Regulation 20A & Regulation 21, it was submitted by the stakeholder that the various charges such as transmission charges, wheeling charges, cross subsidy charges etc. have been levied on power purchased through open access. Further, various losses are also loaded on the open access consumers. Consumer purchasing power from open access also has to pay the demand charges for the entire load every month to the Discoms. The above submission elaborates that cost of open-access power to consumers is only marginally cheaper than the prevailing cost of grid power and Discoms are already generating substantial revenue in form of various charges on power purchased through open access. Further, the share of open access in states power consumption is very nominal i.e. only 1.34% and has minimal impact on load balancing (technical perspective) and revenue

(commercial perspective). Introduction of complex mechanisms like DSM and LIS would ultimately make the open access power non-feasible to consumers. The open access mechanism in the state be kept simple and transparent with minimum charges.

It was submitted by stakeholder that DSM should be applicable on schedule open access capacity for open access consumers and for contracted capacity DSM should be applicable only on Discoms. If part open access consumers have to give schedule for contracted capacity with Discom, it should be made applicable for all categories of consumers. Further, as per legal framework the schedule can only include such transactions that are managed by SLDC which excludes schedule of contracted capacity with Discoms.

It was submitted to consider DSM based on monthly consumption rather than on 15 minute time block basis considering peak and off-peak hours for full open access consumers and suggested Standby charges or LIS Charges in case of overdrawal wherein in case of underdrawal such energy may get lapsed or banked for next month.

8.1.19 The Commission has discussed under para 7.1.10 that since the principle of levying LIS Charges has arisen on account of proposed implementation of DSM at part open access consumer end, it is prudent to deliberate the issues raised under draft Regulation 20A (Load Imbalance Settlement Charges) with the issues raised under draft Regulation 21 (DSM Charges).

The Commission states that under draft Regulation 21 DSM is proposed to be applicable on part open access consumer which provides for scheduling power against sanctioned load + open access at consumer end. Further, part open access consumer, if it is fed through mixed feeder shall have an option of exemption from implementation of DSM by paying LIS Charges as per Regulation 20A. In this regard, a number of stakeholders have suggested not to implement the draft provisions and further emphasized to retain the existing provisions of the Principal Regulations. The stakeholders cited various reasons in its support as illustrated in preceding paras.

The Commission opines that as per current practice in the State, the generator supplying power to open access consumer submits schedule on behalf of its consumer at generator end, which is then utilized by UPSLDC to compute scheduled entitlement at consumer end based on the applicable losses. Further, as the part open access consumer already has a contracted

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demand with the distribution licensee of the area, distribution licensee is obligated to supply electricity for any quantum against contracted demand over and above the open access entitlement, upto the contracted demand. Whether the part open access consumer is availing power from open access or not, the contracted capacity remains the same and fixed charges are also being paid by the consumer. In the event of breach of contract demand, demand surcharge is to be paid to distribution licensee as per the relevant tariff category. Such part open access consumer is out of the purview of DSM charges. On the contrary full open access consumer which is not having any contracted capacity with the distribution licensee is subjected to DSM as they don't have any contract/source other than open access capacity to meet their load and any variation in drawl is met from the DSM pool.

The Commission agrees with the suggestion of stakeholders including UPPCL that it will be excessively complex for scheduling power for the part open access consumer against sanctioned load + open access at consumer end. It was submitted by number of stakeholders that the imposition of deviation charges and LIS Charges for part open access consumers is coupled with the complexities of settlement and commercial treatments. Further, scheduling of power by consumer against sanctioned load is not provided in the Supply Code. Therefore, applicability of DSM to part open access consumer shall not be prudent at the moment and therefore the Commission decides to continue with existing practice to keep part open access consumer (either connected through independent feeder or through mixed feeder) out of the purview of DSM charges. Considering the suggestion of stakeholders that imposition of DSM {Load Imbalance Settlement Charges (LIS) in its lieu} on part open access consumers will make the exercise highly complex, the Commission wishes to discard the imposition of DSM or LIS Charges on such part open access consumers and is in agreement with the continuing dispensation. Part open access consumers, frequently having a contracted capacity, if subjected to schedule thereby inviting the charges in form of DSM or LIS, will be severely affected on account of their limited technical wherewithal and open access may prove to be a bane for them rather than a boon. On the other hand, the financial risks of the licensees are insulated by way of contracted capacity charges, cross-subsidy surcharge and wheeling charges etc. However, considering that the planning for contracted capacity of consumers including contracted capacity of part open access consumers is carried out by



Discom, therefore Discom is obligated for contributing towards greater stability of grid. The Commission decides that Regulation 7.2 of the Principal Regulations shall be substituted as under:

"In case of open access consumer if fed through independent feeder, the total drawal from open access and from the Distribution Licensee shall be restricted upto the ceiling of drawl applicable for the voltage level, as specified under the Supply Code, to which the open access consumer is connected. In case of any breach of such ceiling penal action be taken by the Nodal Agency as deemed appropriate including suspension of open access for three months for each breach. In case of repeated breach for more than three times open access shall be suspended till open access consumer shift to the next appropriate voltage level as per Supply Code.

Whereas in case of open access consumer if fed through mixed feeder the open access consumer shall restrict the sum of his total drawl from open access and from the distribution licensee upto the contracted capacity with the Distribution Licensee. In case of any breach of such ceiling penal action be taken by the Distribution Licensee as deemed appropriate including suspension of open access for three months for each breach by the Nodal Agency. In case of repeated breach for more than three times open access shall be suspended till open access consumer enhances the contracted capacity with the Distribution Licensee as per Supply Code."

Further proposal of levying LIS Charges has been introduced to manage likely grid imbalance that can be caused due to introduction of 100 kW & above open access consumers (through single connection or multiple connections) who are connected on mixed feeder and getting green energy open access from any of its source in addition to power from distribution licensee of the area of supply. As deliberated above, DSM charges under the DSM Mechanism is not to be applicable on part open access consumer and therefore proposed exemption option from DSM does not subsist with regard to LIS Charges and accordingly the Commission decides to delete proposed Regulation 20A (Load Imbalance Settlement Charges).

In view of above deliberations, the Commission decides to retain Regulation 21.3 (with Table) of the Principal Regulations and further Regulation 21.2 of the Principal Regulations shall be substituted as under:

"21.2 Deviation between scheduled injection / drawal and actual injection / drawal of STU / Discom connected generator (except for solar and wind generating plant), distribution licensee and full open access consumer in respect of intra-State open access transaction will be settled as per DSM Regulations specified by Central Commission.

Whereas, Deviation between scheduled injection and actual injection



of STU / Discom connected (irrespective of installed capacity) solar and wind generating plant in respect of intra-State open access transaction will be settled as per UPERC (Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources) Regulation, 2018 and amendments thereof."

Also, the proposed new proviso (second) to Regulation 27.1 shall be deleted.

9. Amendment to Regulation 28 of the Principal Regulations:

Commented Draft Regulations -

- 9.1 In the heading in Regulation 28 of the Principal Regulations, the words "**Accounting in case of Open Access**" shall be substituted with the words "**Accounting of Part Open Access in case opted Exemption from DSM**".

Comments / Suggestions of the Stakeholders -

- 9.1.1 UPSLDC submitted that as per the current provisions of regulation the commercial settlement by Discom of part open access consumers is being done on TOD basis. Any drawl above the open access schedule in a particular TOD is treated as purchase from discom. Further, in case energy received through open access is not fully consumed such energy shall be adjusted with the energy supplied by the distribution licensee in the same TOD hour slot and within the same billing cycle only. UPSLDC sought clarification whether the commercial settlement of part open access consumers who opted exemption from DSM will be done as per the previous methodology as shown above.
- 9.1.2 It was suggested let the existing regulation to subsist. This will help the open access consumer to avail better benefits through open access.

Commission's View -

- 9.1.3 The Commission has already deliberated the issue of implementation of DSM framework for part open access consumer proposed in draft Regulation and decides to continue with the existing Principal Regulations at para 8.1.19 above. Further the Commission opines that Regulation 21.3 of the Principal Regulations provides over injections/under-injections and over drawls /under drawls in various kind of situations along with the commercial settlement in each situation is given in the table. Since DSM is still not implemented at consumer level in the State of Uttar Pradesh, commercial settlement at consumer level has been provided a different treatment, as given in table.



Therefore, no further clarification is required. However, for the sake of clarity, in the heading in Regulation 28 of the Principal Regulations, the words "Accounting in case of Open Access" shall be substituted with the words "Accounting in case of Part Open Access".

10. Amendment to Regulation 29 of the Principal Regulations:

Commented Draft Amendment Regulations –

10.1 Regulation 29 of the Principal Regulations shall be substituted as under:

"29. Metering–

29.1 The installation, operation, calibration and maintenance of Interface Energy Meters (IEMs) with automatic remote meter reading (AMR) facility including additional communication links, if any, required for the purpose of AMR facility shall be in accordance with CEA Metering Regulations and CEA Communications Regulations:

Provided that green energy open access consumer connected at voltage below 11 kV and opted exemption from DSM as per Regulation 20A shall have the option to use Smart Meter as per CEA Metering Regulations.

29.2 It shall be the responsibility of STU to provide specifications for meters to be installed at appropriate inter-connection / interface points (injection and drawal points) for facilitating the open access transactions.

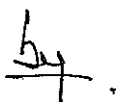
29.3 Open access customer shall establish communication facilities with SLDC and provide such information and in such format as may be specified by SLDC, on real time basis as well as periodically.

29.4 Interface Energy Meters shall be compatible with energy accounting software of SLDC.

29.5 It shall be the responsibility of the generating company or the licensee, in whose premises the meter has been installed, to download the meter data, record the metered data and furnish such data to SLDC and other agencies as required. The reading and recording of meters at open access consumer end shall be done by the distribution licensee for which open access consumer shall provide access to the authorized representative(s) of the licensee if required:

Provided that manual reading of meter shall be done in case readings have not been transmitted through AMR facility due to any reason however, such automatic remote meter reading shall be restored immediately by the generating company or the licensee or the open access consumer as the case may be.

29.6 For the purpose of metering and accounting of open access consumer directly connected to transmission system at voltage 33 kV and above, location of interface meters (main meter, check meter and standby





meter) shall be as per UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 and amendment thereof.

For the purpose of metering and accounting of open access consumer directly connected to distribution system at voltage 33 kV and below, the interface meters (main meter and check meter) shall be installed by the distribution licensee at open access consumer end, whereas interface meter (standby meter) shall be installed by the distribution licensee in its premises in case of independent feeder or at open access consumer end in case of mixed feeder. The cost of these interface meters shall be borne by open access consumer.

29.7 Open access consumer shall have the option to make available meters himself at his cost for installation by the licensee. STU shall make available on its website, an updated list of makes and specifications of meters and associated equipment, as approved by STU for purchase of meters by open access consumer."

Comments / Suggestions of the Stakeholders -

10.1.1 With regard to Regulation 29.1, it was submitted that CEA has allowed use of smart meters for LT open access. It was submitted to allow open access consumers, connected below 11 kV to use smart meters without any condition attached to it and accordingly suggested to modify the proviso to draft Regulation 29.1 as under:

"Provided that green energy open access consumer connected at voltage below 11 kV and ~~opted exemption from DSM as per Regulation 20A~~ shall have the option to use Smart Meter as per CEA Metering Regulations."

It was also suggested to allow use of existing TOD meters till the time smart meters have been installed.

10.1.2 It was stated by another stakeholder that the CEA (Installation and Operation of Meters) (Amendment) Regulations, 2019 defines smart meters as follows:

"(ta) 'Smart Meter' means a meter as specified in IS 16444 and as amended from time to time"

CEA has also specified basis features of a single / three phase smart meters as per IS 16444.

Further, Discom has been mandated under RDSS scheme to replace all meters with smart meters. Therefore, if any GEOA consumer connected below 11 kV opting out of DSM is not having smart meter, the same may be installed by Discoms at its own expense.

10.1.3 NPCL stated that smart meters offer real-time data monitoring, remote reading, and precise energy usage recording. Therefore, in order to enhance



transparency and accuracy for open access participants, the use of smart meters should be mandated. NPCL suggested the following:

(a) All consumers seeking green energy open access must install smart meters along with check meters.

(b) Periodic calibration schedule of the special energy meters of open access consumer shall be provided.

(c) The meters purchased by consumer shall be compatible with meter data management module and head end system (HES) of Discom.

(d) Further, in cases where one of the meters in case of aggregation of load is found to be drifting (time shift) or faulty, a clear procedure/guideline for taking readings and settling accounts may be established to maintain accuracy and fairness.

10.1.4 It was suggested that smart meters may only have the capability of recording parameters as required under the retail-tariff orders.

10.1.5 With regard to Regulation 29.3, it was suggested to add a new provision as under:

"Establishment of communication facilities including software such as HES-MDM should be under the purview of distribution licensee."

10.1.6 It was suggested that costs related to metering can be borne by the consumer on a rental basis charge by Discom monthly.

10.1.7 With regard to draft Regulation 29.4 & Regulation 29.6 (second para), clarification was sought that the proposed requirement to install interface meter (i.e. check meter and stand by meter) shall not be applicable for consumers connected below 11 kV and opting for LIS charge.

10.1.8 It was submitted that draft Regulation 29.6 (second para) provides discrepancy in the understanding of the number of meter installations needed if the consumer is connected to transmission system at voltage 33 kV and requested to separate the two categories accordingly. It was suggested that the words "at voltage 33 kV and below" in draft Regulations to be replaced with the words "below voltage 33 kV".

Commission's View –

10.1.9 With regard the suggestions related to use of smart meters, it is clarified that for accounting and billing of electricity at the point of interconnection under



open access, interface meters (main meter, check meter and standby meter) are installed as mandated under CEA Metering Regulations. The calibration and maintenance of these interface meters is to be undertaken in accordance with CEA Metering Regulations. Therefore, the Commission is of the view that use of smart meter at voltage below 11 kV should be in accordance with CEA Metering Regulations. Hence, no further action/consideration is required.

With regard to suggestion that smart meters may only have capability of recording parameters as required under the retail-tariff orders, it is clarified that standards/specifications on installation and operation of interface meters are the subject matter of CEA Metering Regulations, therefore the Commission decides not to entertain any suggestion related to standard/specifications for such meters herein.

Further, it is being clarified that Discoms are replacing consumer meters under RDSS scheme, and the Commission is not inclined to accept the suggestion to replace consumer meters with smart meters under RDSS scheme at the cost of Discoms for GEOA consumer connected below 11 kV.

10.1.10 Further, with regard to suggestions related to establishment of communication facilities including software under the scope of distribution licensee, it is being clarified that for data communication with SLDC the users including open access consumers shall be responsible for provision of compatible equipment along with appropriate interface and for successful integration with the communication system provided by STU. Hence, for draft Regulation 29.3, no further action/consideration is required.

10.1.11 With regard to suggestion that metering costs can be borne by the consumer on a rental basis charge by Discom monthly, is not accepted.

10.1.12 With regard to the requirement of meter installations if open access consumer is connected to transmission system at voltage 33 kV, it is clarified that as per first para of draft Regulation 29.6, location of interface meters (main meter, check meter and standby meter) for the purpose of metering and accounting of open access consumer directly connected to transmission system at voltage 33 kV and above shall be as per UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 and amendment thereof. Whereas the second para of draft Regulation 29.6 specifies the location of interface meters (main meter, check meter and standby meter) in case open access consumer is connected to distribution

system at voltage 33 kV and below. Hence, no further action/consideration is required.

10.1.13 Further in view of the deliberation at para 8.1.19 above, proposed proviso to draft Regulation 29.1 shall be replaced as under:

"Provided that part green energy open access consumer connected at voltage below 11 kV shall have the option to use Smart Meter as per CEA Metering Regulations."

11. Amendment to Regulation 31 of the Principal Regulations:

Commented Draft Regulations –

11.1 Regulation 31.2 of the Principal Regulations shall be substituted as under:

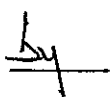
"31.2 Energy account prepared by SLDC shall be used for billing purposes:

Provided that SLDC shall issue energy account for electricity and quantify the demand and energy supplied by the distribution licensee in case where open access consumer receives electricity through both open access as well as from distribution licensee. On the basis of energy account prepared and issued for the relevant month by SLDC, distribution licensee shall accordingly prepare and raise bill for electricity supplied including demand charge and protective load charge (wherever applicable) on open access consumer in accordance with terms and conditions of retail tariff and rates specified by the Commission in the retail tariff order as applicable to such open access consumer."

Comments / Suggestions of the Stakeholders -

11.1.1 Monthly Energy Account (MEA) statements are issued by UPSLDC by the second week of next month. Till then most of the divisions of Discoms get prepare their Discom bills as per their existing billing cycle. It was suggested that SLDC should issue the Monthly Energy Account (MEA) to Discoms by the 1st week of subsequent month, based on which Discoms will raise bill for electricity supplied.

11.1.2 It was stated that as per current methodology, UPSLDC is issuing MEA statements wherein they only show the actual injection numbers of open access however the consumption or demand numbers of the open access consumers is not provided in MEA. Even the consumption and demand numbers were provided by UPSLDC in their MEAs in last year, they were only provided the same in the MEAs of the independent feeder open access consumers and not in the MEAs of mixed feeder consumers.





It was suggested that UPSLDC must account the demand numbers for independent feeder open access consumer as well as mixed feeder open access consumers and must show them as per their accounting in the respective MEAs so that uniformity in settlement can be made across all the Discom divisions across the State of UP.

- 11.1.3 NPCL submitted that there is a requirement for more clarity with respect to billing and accounting of open access charges. The regulation is required to be modified accordingly.

It was further stated that the open access consumers are not being charged for reactive energy charges at present. The distribution licensees are being charged with the reactive energy charges for the entire system and hence the reactive energy charges of open access consumer should be charged by the Discoms to the open access consumers.

Further, since the details of reactive energy drawn/injected is being recorded in the meters which can be accessed by Discoms for billing, hence the Regulation 31.1 required to be modified suitably w.r.t. issuance of REA for reactive energy charges for open access consumers.

NPCL suggested the following modification in the proposed Regulation 31:

"31.1 SLDC shall issue an energy account, statement of DSM charges, ~~reactive energy charges~~ and its operating charges on the basis of data received from ABT meters along with data relating to declared capability and schedules etc., in accordance with the provisions of procedures for scheduling, despatch, energy accounting, DSM & settlement system of open access transactions, as amended from time to time.

31.2 Energy account prepared by SLDC shall be used for billing purposes.

The monthly bill towards Open Access power including demand charge and protective load charge (wherever applicable) based on the energy account prepared by SLDC shall be raised by Distribution Licensees in accordance with terms and conditions of retail tariff and rates specified by the Commission in the retail tariff order as applicable to such open access consumer. Distribution Licensees shall maintain the amount collected in a separate Bank Account or as per the directions issued by the Commission from time to time.

~~Provided that SLDC shall issue energy account for electricity and quantify the demand and energy supplied by the distribution licensee in case where open access consumer receives electricity through both open access as well as from distribution licensee. On the basis of energy account prepared and issued for the relevant month by SLDC, distribution licensee shall accordingly prepare and raise bill for electricity supplied including demand charge and protective load charge (wherever applicable) on open access consumer in~~



~~accordance with terms and conditions of retail tariff and rates specified by the Commission in the retail tariff order as applicable to such open access consumer.~~

- 11.1.4 It was submitted that the term "protective load charges" has not been explained in the draft Regulation and hence needs detailed explanation regarding the imposition of protective load charge and its impact as well.

Commission's View –

- 11.1.5 The proviso to Regulation 31.2 proposes that SLDC shall issue energy account for electricity and quantify the demand and energy supplied by the distribution licensee in case where open access consumer receives electricity through both open access as well as from distribution licensee. In this regard, it is being clarified that the quantum of energy and demand supplied against Discom power for independent feeder part open access consumer as well as mixed feeder part open access consumers should be provided in the MEAs by UPSLDC.

With regard to issue raised regarding difficulty in timely preparation of Discom bills as per their existing billing cycle, it is clarified that Monthly Energy Account should be issued in the first week of following month by UPSLDC, based on which Discoms will prepare and raise bill for electricity supplied.

- 11.1.6 With regard to the issue related to imposition of protective load charge and its impact, it is clarified that the term "protective load" has been defined in U.P. Supply Code and the term "protective load charges" has to be construed accordingly in accordance with terms and conditions of retail tariff and rates specified by the Commission in the retail tariff.

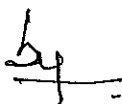
Regarding the payment for reactive energy exchanges of open access consumers, it is clarified that preparation and issuance of weekly statements for VAR charges of beneficiaries shall be undertaken in accordance with UPEGC. The term "beneficiary" is also defined therein.

12. New Regulation 31A: Role of Lead GEOA Consumer:

Commented Draft Regulations –

- 12.1 A new Regulation, namely, Regulation 31A shall be added after Regulation 31 of the Principal Regulations as under:

"31A. Role of Lead GEOA Consumer–



31A-1 Lead GEOA Consumer shall be authorized based on mutually agreed terms and conditions from amongst GEOA Consumer(s). Lead GEOA Consumer shall register themselves with the concerned Nodal Agency. Lead GEOA Consumer shall be the single point contact with STU, SLDC, any other transmission licensee / distribution licensee and other agencies on behalf of its GEOA Consumer(s) for the following purposes among others:

- (i) Submit its authorization as Lead GEOA Consumer on behalf of its GEOA Consumer(s) to the concerned Nodal Agency;
- (ii) Submit green energy open access application;
- (iii) Provide schedules;
- (iv) Coordination with STU / SLDC and other agencies for metering, data collection / transmission and real time data communication, energy accounting, billing, payment security and settlement of green energy open access transaction(s);
- (v) Undertake commercial settlements on behalf of GEOA Consumer(s), of such charges pertaining to drawal deviations including payment to / receipt from State Pool Account through SLDC (wherever applicable) and of open access charges.
- (vi) Undertake de-pooling of payments made or received from the State Pool Account and of open access charges / applicable charges payments.

Note: "De-Pooling" means the disaggregation and apportionment of the deviations and the applicable charges among GEOA Consumer(s) which shall be governed by their inter-se agreements.

- (vii) Undertake commercial settlement of any other charges on behalf of GEOA Consumer(s) as mandated from time to time.

Provided that for all practical purposes including scheduling, metering, accounting, billing and payment of individual green energy open access consumer(s), the distribution licensee shall develop a procedure for aggregation of contracted load / sanctioned load of multiple connections under a division supported by web based accounting and billing / payment system for such group of green energy open access consumers.

31A-2 Notwithstanding the authorization of Lead GEOA Consumer, the onus of complying with the relevant provisions of these Regulations shall remain that of concerned GEOA Consumer(s), and the commercial & other arrangements between them and their Lead GEOA Consumer shall be governed by their inter-se agreements."

Comments / Suggestions of the Stakeholders -



12.1.1 UPSLDC submitted that Lead GEOA Consumer should be responsible to provide timely readings of interface meters (summation meter) to concerned Discom for preparation of energy account of Lead GEOA Consumer. There must also be AMR facility for sending data automatic to concern Discom.

12.1.2 UPSLDC stated that inclusion of GEOA consumers (upto 100 kW) would be huge burden for SLDC in respect to issuance of open access approvals and preparation of timely Energy Account/DSM. Therefore, UPSLDC submitted that open access approvals (LTOA/MTOA/STOA/GEOA) will be possible only through special provisions in the software (through UPSOAR). UPSLDC provided the details of UPSOAR and sought sufficient time for establishment of new software (UPSOAR).

Further, UPSLDC suggested exempting SLDC from preparation of energy account of GEOA consumers having contracted demand less than 1 MW and connected to distribution network. UPSLDC further proposed that SLDC can provide schedule of such green energy open access consumers to concerned Discom for preparation of energy accounts of such green energy open access consumers by concerned Discom.

12.1.3 UPPCL submitted that the introduction of Lead GEOA Consumers adds complexity to our billing and metering systems. Discoms will require additional time and resources to develop new procedures for aggregating contracted and sanctioned loads and to implement web-based accounting and billing systems for these consumer groups. To ensure a smooth transition, UPPCL requested an extension of the implementation timeline. Additionally, clear guidelines are needed to outline the responsibilities of Lead GEOA Consumers and Discoms in the event of payment defaults or disputes, to prevent potential issues and ensure effective management of these new arrangements.

12.1.4 NPCL suggested to add distribution licensee to clause (iv) of draft Regulation 31A-1.

12.1.5 It was stated that designating a Lead GEOA Consumer would put an unnecessary burden on one particular consumer and increase the operational hassle and costs for one consumer. Considering the prevailing business model in the industry, substantial part of this responsibility already rests with the captive power producer/developer and hence there should be an option for consumer(s) to delegate this responsibility to the power producer. It was



suggested that power producers can also execute the role of Lead GEOA Consumer.

Commission's View –

12.1.6 The Commission opines that as per draft Regulation, Lead GEOA Consumer shall be the single point contact with STU, SLDC, any other transmission licensee/distribution licensee and other agencies on behalf of its GEOA Consumer(s) for the various purposes as mentioned therein. The commercial & other arrangements between GEOA Consumer(s) and their Lead GEOA Consumer shall be governed by their inter-se agreements.

However, it is being clarified that each GEOA Consumer of that group shall be treated as single connection(s) for the operational, commercial and settlement purposes. The onus of complying with the relevant provisions of these Regulations shall lie with each GEOA Consumer. Therefore, there is no requirement of any additional guidelines/procedure to outline the responsibilities of Lead GEOA Consumers and Discoms in the event of payment defaults or disputes, to prevent potential issues and ensure effective management of these new arrangements.

For the sake of clarity, Regulation 31A-2 has been modified as under:

31A-2 Notwithstanding the authorization of Lead GEOA Consumer, each GEOA Consumer of that group shall be treated as single connection(s) for the operational, commercial and settlement purposes. Onus of complying with the relevant provisions of these Regulations shall lie with each GEOA Consumer whereas the commercial & other arrangements between them and their Lead GEOA Consumer shall be governed by their inter-se agreements."

The Commission accepts the NPCL's suggestion to add the words "distribution licensee" in clause (iv) of draft Regulation 31A-1.

Further in view of the deliberation at para 8.1.19 above, clause (iii) of draft Regulation 31A-1 is replaced with "Coordination with SLDC / distribution licensee for drawal schedules". Also, the words "of such charges pertaining to drawal deviations including payment to / receipt from State Pool Account through SLDC (wherever applicable) and" under clause (v), the words "made or received from the State Pool Account and" under clause (vi) and the words "the deviations and" in Note of draft Regulation 31A-1 are deleted.

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- 12.1.7 The Commission opines that the responsibilities at injection and drawl ends are distinct in nature. Further, for effective implementation of green energy open access transaction it is necessary that Lead GEOA Consumer shall be authorized from amongst GEOA Consumer(s). Therefore, the suggestion that power producers can also execute the role of Lead GEOA Consumer, is not accepted.

13. Amendment to Schedule-A (Procedure for Long-Term and Medium-Term Open Access) of the Principal Regulations:

Commented Draft Regulations –

- 13.1 A new proviso shall be added to clause (ii) of Regulation 2.2 of Schedule-A of the Principal Regulations as under:

"Provided that an application for medium term green energy open access shall be submitted at least three months in advance."

Comments / Suggestions of the Stakeholders -

- 13.1.1 It was suggested that the words "three months" in draft Regulations to be replaced with the words "one month".

Commission's View –

- 13.1.2 The Commission opines that on receipt of application for grant of medium term open access, the Nodal Agency shall seek system feasibility reports for injecting & drawee entities from transmission licensee and/or distribution licensee involved in transaction for permitting open access. Further, the Nodal Agency shall carry out system studies including load flow studies and decide the requirement of system strengthening of intra-State transmission system if any. The Nodal Agency, in consultation with SLDC, also checks transaction for congestion of any element of transmission and/or distribution system involved in open access transaction. These implementation timelines towards efforts of various activities undertaken or to be undertaken by the Nodal Agency for processing of green energy medium term open access application has already been illustrated in Regulation 3 and Regulation 4 of Schedule-A.

However, in view of suggestion of the stakeholder, the words "three months" in draft Regulations to be replaced with the words "forty five (45) days"

Commented Draft Regulations –



- 13.2 A new proviso shall be added at the end of Regulation 2.3 of Schedule-A of the Principal Regulations as under:

"Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the non-refundable application fee shall have to be paid by all the individual GEOA Consumers."

Comments / Suggestions of the Stakeholders -

- 13.2.1 It was submitted to consider multiple applications of aggregation of loads as a single application, so that the non-refundable application fee shall not have to be paid by all the individual GEOA Consumers and instead, a consolidated fee may be paid for all consumers.

- 13.2.2 It was suggested that the provision to be in alignment with GEOA Rules and suggested to modify the proviso as below:

"Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the non-refundable application fee shall have to be paid as considering single application instead of multiple applications of individual GEOA consumers."

- 13.2.3 It was suggested modifying the proviso as below:

"Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the non-refundable application fee shall have to be paid by all the individual GEOA Consumers cumulatively."

Commission's View -

- 13.2.4 With regard to suggestions of stakeholders that the non-refundable application fee shall not have to be paid by all the individual GEOA Consumers and instead, a consolidated fee may be paid for all consumers, it is reiterated that each GEOA Consumer of that group shall be treated as single connection(s) for the operational, commercial and settlement purposes and therefore non-refundable application fee should be paid by all the individual GEOA Consumers towards efforts of various activities undertaken or to be undertaken by the Nodal Agency for processing of green energy open access application. However, a consolidated fee may be paid for all such consumers.

The proviso has been modified as below:

"Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the non-refundable



application fee shall have to be paid by all the individual GEOA Consumers cumulatively."

Further, a "Note" is added in last under Regulation 2.3 as under:

"Note: Application fee shall be paid along with applicable taxes, if any."

Commented Draft Regulations –

- 13.3 A new proviso shall be added to clause (iii) of Regulation 4.1 of Schedule-A of the Principal Regulations as under:

"Provided that in case of medium term green energy open access, STU shall confirm grant of open access within thirty (30) days from the date of receipt of the application with direction to the customer to enter into BPTA and/or BPWA with concerned transmission licensee and/or distribution licensee within fifteen (15) days."

Comments / Suggestions of the Stakeholders –

- 13.3.1 It was submitted that in line with the GEOA Rules, the grant of green energy open access is to be granted within 15 days from the date of complete application and suggested to modify the proviso as below:

"Provided that in case of ~~medium-term~~ green energy open access, STU Nodal Agency shall confirm grant of open access within ~~thirty (30) days~~ fifteen (15) days from the date of receipt of the application with direction to the customer to enter into BPTA and/or BPWA with concerned transmission licensee and/or distribution licensee within fifteen (15) days."

Commission's View –

- 13.3.2 The Commission has already deliberated at para 13.1.2 above upon the issue raised regarding the implementation timelines towards efforts of various activities undertaken or to be undertaken by the Nodal Agency for processing of green energy medium term open access application under Regulation 3 and Regulation 4 of Schedule-A. Accordingly, no further action/consideration is required.

- 13.3.3 Considering the UPSLDC suggestion at relevant para 14.1.8 which is placed subsequently, the Commission observes as follows:

A new clause, namely, clause (w) shall be added after proposed clause (v) of Regulation 2.4 of the Principal Regulations as under:

"(w) "UPSTU Registry" or "UPSTU-R" means the Registry as specified under Regulation 1A of Schedule-A of these regulations;

Further, a new Regulation, namely Regulation 1A shall be added after Regulation 1 of Schedule-A of the Principal Regulations as under:

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"1A. UPSTU Registry–

1A-1 The connectivity, medium term and long term open access applications shall be applied and processed through single window unified electronic platform, namely, UPSTU Registry (UPSTU-R) which shall:

- (i) Provide the audit trail of connectivity applications;
- (ii) Provide the audit trail of medium term and long term open access applications;
- (iii) Provide an interface with the software of SLDC / any other transmission licensee and distribution licensees for processing of applications/validation of feasibility reports etc.;
- (iv) Provide a payment gateway for making payments related to connectivity, medium term and long term open access;
- (v) Provide Dash Board facility with real time information to SLDC / any other transmission licensee and distribution licensees and act as a repository of information related to connectivity, medium term and long term open access including feasibility reports issued by concerned licensees, availability of transmission corridor, pending applications, and connectivity, medium term and long term open access granted and rejected;
- (vi) Facilitate generation of periodic reports for market monitoring and surveillance;
- (vii) Facilitate any other functions incidental to connectivity, medium term and long term open access as required by STU under these regulations, and
- (viii) Facilitate any other functions, as directed by the Commission from time to time.

1A-2 STU shall be responsible for developing and maintaining UPSTU-R."

14. Amendment to Schedule-B (Procedure for Short-Term Open Access) of the Principal Regulations:

Commented Draft Regulations –

- 14.1 Regulation 2, Regulation 3, Regulation 4 and Regulation 5 of Schedule-B of the Principal Regulations shall be substituted as under:

"2. Registration with SLDC–

- 2.1 The injecting entity / drawee entity shall apply for 'Registration' on format [FORMAT-ST11] with SLDC. The registration charges will be as specified in UPERC (Fees & Charges of State Load Despatch Centre and other related matters) Regulations, 2020 as amended from time to time or as specified in any order of the Commission. Such injecting entity / drawee entity shall declare that necessary infrastructure for time-block

wise metering and accounting in accordance with the provisions of Grid Code and appropriate communication system in accordance with the provisions of CEA Communication Regulations are in place for the point of injection / point of drawal, as the case may be. Any new entity shall obtain connectivity to the intra-State transmission system and/or distribution system as per the applicable UPERC Regulations prior to making an application for registration:

Provided that in case of green energy open access consumers intending registration through Lead GEOA Consumer, the registration charges shall have to be paid by all the individual green energy open access consumers.

- 2.2 The injecting entity / drawee entity shall seek concurrence of STU / any other transmission licensee and/or distribution licensee concerned for the point of injection / point of drawal, as the case may be, on formats [FORMAT-ST12(A)&(B)]. STU / any other transmission licensee and/or distribution licensee shall convey his concurrence or otherwise on formats [FORMAT-ST13(A)&(B)] to SLDC within seven (7) working days for such injection / drawal quantum during the stated period:

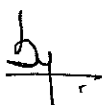
Provided that in case of rejection of request for concurrence, STU / any other transmission licensee or distribution licensee shall convey reasons to SLDC in writing with a copy to the entity. SLDC may seek clarification from the concerned licensee and take appropriate decision as deemed fit.

- 2.3 SLDC shall conduct a preliminary scrutiny to ensure application is complete in all respects. In case of any discrepancy / short coming / requirement of any further information, SLDC shall intimate concerned entity for rectification of the deficiency within a period of seven (7) working days from the date of receipt of FORMAT-ST11. SLDC shall convey acceptance of registration or otherwise in FORMAT-ST12 to the injecting entity / drawee entity, as the case may be, within fifteen (15) working days from the date of receipt of application complete in all respect including receipt of required concurrences. The registration will be valid for a period of one (1) year and may be renewed thereafter for a period of one (1) year after obtaining concurrence of STU / any other transmission licensee and/or distribution licensee by such injecting entity / drawee entity. The concerned entity shall initiate the process of renewal at least three (3) months in advance, to avoid any discontinuity:

Provided that in case there is any material change with regard to the quantum of power to be interchanged (by more than five (5) percent) using the intra-State transmission and/or distribution system, a fresh registration shall be obtained under these regulations.

....."

Comments / Suggestions of the Stakeholders -



14.1.1 UPSLDC has appreciated drafting provision for Entity registration under format ST-11 for a specified quantum of power. UPSLDC has proposed the format of ST-11 in line with the existing entity registration under NOAR national portal. Customers have to apply for format ST-11 (Entity Registration) through web based portal of UPSLDC (UPSOAR).

Further, open access customers who are already registered under NOAR is also required to register on UPSOAR under format ST-11 with payment of necessary registration charges. The Standing Clearance under NOAR shall be issued by UPSLDC subject to valid registration under format ST-11 on UPSOAR.

14.1.2 It was suggested to modify the proviso to draft Regulation 2.1 of Schedule-B as under:

"Provided that in case of green energy open access consumers intending registration through Lead GEOA Consumer, the registration charges shall have to be paid by all the individual green energy open access consumers cumulatively."

14.1.3 UPSLDC suggested that open access applications should be applied and processed through single window electronic platform, namely, UP State Open Access Registry (UPSOAR). SLDC shall be responsible for developing and maintaining UPSOAR.

14.1.4 Further, UPSLDC suggested the following modifications in draft Regulation 2.2 of Schedule-B as under:

The injecting entity/drawee entity is first required to apply for Registration under Format ST-11 through web based portal of UPSLDC (UPSOAR). Thereafter, an automatic request for concurrence from concerned discom and transmission will be forwarded in Format ST-12 (A&B) on A+1 day (00:00 hrs) (A= application day). Further, Discom and transmission licensee has to approve/reject/not required through UPSOAR within 7 working days including the day of receiving the request of concurrence under Format ST-12(A&B). If approved, the concurrence will be issued under Format ST-13(A&B) for the stated period and quantum of power as in Format ST-11. UPSLDC thereafter (concurrence approved/not required by discom/transmission) will have option to approve/reject/revert the Registration request. UPSLDC has to



process the registration within 15 working days from the date of obtaining concurrences from both discom & transmission.

Provided that in case of rejection of request for concurrence, STU / any other transmission licensee or distribution licensee shall convey reasons on UPSOAR portal. SLDC may seek clarification from the concerned licensee and take appropriate decision as deemed appropriate. In case distribution licensee/transmission licensee does not respond within 7 working days excluding the date of application then the concurrence shall be deemed on format ST-13 A&B.

14.1.5 With regard to Regulation 2.3 of Schedule-B, the following were suggested:

(a) The deficiency in application may be brought to the knowledge of customer within 3 days of submission of application.

(b) Customer to be provided with 7 days to complete deficiency and on completing the deficiency the Nodal Agency has to provide with registration within 7 days on complete submission of application.

(c) The registration validity must be for lifetime and any material change if any the customer may apply and Nodal Agency shall verify and make necessary approval within 7 days or provide with deficiency within 3 days for submission by customer for further processing of registration.

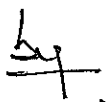
(d) Registration fee payable for revision in the details / modification in the entity registered may be reduced to 50% of original fee as the application is not fresh and only modification in certain fields of the application.

14.1.6 It was suggested that the words "five (5)" in proviso to draft Regulation 2.3 of Schedule-B to be replaced with the words "ten (10)".

Commission's View –

14.1.7 Considering the UPSLDC suggestion, in draft Regulation 2.1 of Schedule-B, the sentence "The format of ST-11 may preferably be in line with the existing entity registration under National Open Access Registry (NOAR) Portal of National Load Despatch Centre." shall be added after the sentence "The injecting entity / drawee entity shall apply for 'Registration' on format [FORMAT-ST11] with SLDC".

14.1.8 Regarding suggestion that registration charges to be paid by all the individual green energy open access consumers cumulatively, it is reiterated that each



GEOA Consumer of that group shall be treated as single connection(s) for the operational, commercial and settlement purposes and therefore registration charges should be paid by all the individual GEOA Consumers towards efforts of various activities undertaken or to be undertaken by the Nodal Agency for registration of injecting entity/drawee entity. However, consolidated registration charges may be paid for all such entities. Therefore, the word "cumulatively" shall be added at the end of proviso to draft Regulation 2.1 of Schedule-B.

14.1.9 Considering the UPSLDC suggestion, the Commission observes as follows:

A new clause, namely, clause (v) shall be added after clause (u) of Regulation 2.4 of the Principal Regulations as under:

"(v) "UPSLDC Registry" or "UPSLDC-R" means the Registry as specified under Regulation 1A of Schedule-B of these regulations;

Further, a new Regulation, namely Regulation 1A shall be added after Regulation 1 of Schedule-B of the Principal Regulations as under:

"1A. UPSLDC Registry–

1A-1 The registration and short term open access applications shall be applied and processed through single window unified electronic platform, namely, UPSLDC Registry (UPSLDC-R) which shall:

- (i) Provide the audit trail of registration applications;*
- (ii) Provide the audit trail of short term open access applications;*
- (iii) Provide an interface with the software of STU / any other transmission licensee and distribution licensees for processing/ validation of concurrence;*
- (iv) Provide a payment gateway for making payments related to short term open access;*
- (v) Provide Dash Board facility with real time information to STU / any other transmission licensee and distribution licensees and act as a repository of information related to short term open access including concurrence issued by STU / any other transmission licensee and/or distribution licensees, availability of transmission corridor, pending applications, and short term open access granted and rejected;*
- (vi) Facilitate generation of periodic reports for market monitoring and surveillance;*
- (vii) Facilitate any other functions incidental to short term open access as required by SLDC, and*

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(viii) *Facilitate any other functions, as directed by the Commission from time to time.*

1A-2 SLDC shall be responsible for developing and maintaining UPSLDC-R."

14.1.10 With regard to Regulation 2.2 of Schedule-B, the Commission accepts the suggestion of UPSLDC and modifies as under:

"An automatic request for concurrence from STU / any other transmission licensee and/or distribution licensee concerned for the point of injection / point of drawal, as the case may be, shall be forwarded on formats [FORMAT-ST12(A)/(B)] through UPSLDC-R. STU / any other transmission licensee and/or distribution licensee shall convey his concurrence or otherwise on formats [FORMAT-ST13(A)/(B)] through UPSLDC-R to SLDC within seven (7) working days for such injection / drawal quantum during the stated period:

Provided that in case of rejection of request for concurrence, STU / any other transmission licensee or distribution licensee shall convey reasons on UPSLDC-R. SLDC may seek clarification from the concerned licensee and take appropriate decisions as deemed appropriate."

14.1.11 In draft Regulation 2.3 of Schedule-B, the sentence "....., SLDC shall intimate concerned entity for rectification of the deficiency within a period of seven (7) working days from the date of receipt of FORMAT-ST11." shall be substituted as under:

"....., SLDC shall intimate concerned entity for rectification of the deficiency within a period of two (2) working days from the date of receipt of FORMAT-ST11 through UPSLDC-R. The injecting entity / drawee entity, as the case may be, shall rectify the deficiency within five (5) working days thereafter, failing which the registration application shall be closed and the registration charges shall be forfeited."

Further, the suggestion to replace the words "five (5)" with the words "ten (10)" in proviso to draft Regulation 2.3, is not accepted in view of likely technical/operational constraints in transmission and/or distribution system.

With regard to the suggestion related to lifetime validity of registration, it is clarified that the short-term open access is for a period of not exceeding 3 months at a time while as per the draft the maximum period is proposed to be 11 months. The criteria for allowing short term open access are specified in Regulation 6.2 and such open access can be accommodated among others

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23

based on margins available in the transmission and/or distribution system. Long term and medium term open access shall have highest priority followed by short term open access, which means short term open access is not guaranteed. Hence, any registration validity could not be for lifetime in view of unpredictable technical/operation constraints in transmission and/or distribution system for a period more than one year.

Further, the suggestion of 50% registration charges in case of revision in the details/modification, is not accepted.

Commented Draft Regulations –

14.2 "3. Registration with GOAR Portal in case of Green Energy Open Access –

3.1 The entity shall obtain registration with SLDC under Regulation 2 of Schedule-B prior to making an application for registration in GOAR Portal as per CERC Regulations / CNA procedure as applicable."

Comments / Suggestions of the Stakeholders -

14.2.1 UPSLDC suggested that the entity should obtain registration with SLDC through web based portal of UPSLDC prior to making an application for registration in GOAR Portal.

Commission's View –

14.2.2 The Commission agrees with the suggestion and accordingly modifies as under:

"The entity shall obtain registration with SLDC under Regulation 2 of Schedule-B through UPSLDC-R prior to making an application for registration in GOAR Portal as per CERC Regulations / CNA procedure as applicable."

Commented Draft Regulations –

14.3 "4. Application for Grant of Short-Term Open Access –

4.2 The customer seeking short term open access shall submit an undertaking that there is a valid contract for the said open access / proposed scheduling and not having entered into power purchase agreement or any other bilateral agreement with more than one person for the capacity (quantum of power) for which short term open access is sought.

4.3 Application shall be accompanied by non-refundable application fee of Rs. 5,000/- (or as determined by the Commission from time to time by an order) by RTGS/NEFT/IMPS or through any other mode of digital

payment in favour of the Officer as notified by SLDC payable at Lucknow: In case of default in payment application fee, SLDC shall reject the application.

Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the application fee shall have to be paid by all the individual green energy open access consumers.

4.4 Application for grant of short-term open access may be made under any of the following categories:

4.4.1 Advance application:

(a) An application for grant of open access commencing in any month shall be submitted up to 15th day of the preceding month.

For example, application for grant of open access commencing in the month of July shall be received up to 15th day of June.

Provided that application shall be submitted on the (D) day for grant of green energy open access starting on or after the (D+15) day, which may fall either in the same month as the (D) day or in the subsequent months.

(b) Scheduling request under Advance application category shall be made on day ahead basis.

4.4.2 Exigency application:

(a) An application for grant of open access with scheduling for such capacity shall be received by SLDC within three days prior to the date of scheduling but not later than 1300 Hours of the day immediately preceding the day of scheduling for day-ahead transaction.

For example, open access application with scheduling for 25th day of July shall be received on 22nd day or 23rd day or up to 1300 hours on 24th day of that month.

(b) Application with scheduling received after 1300 Hours of (S-1) day or in the (S) day shall be processed within 8-time blocks.

(c) Short term open access granted under Exigency application category shall be considered as scheduled, which cannot be revised."

Comments / Suggestions of the Stakeholders -

14.3.1 With regard to draft Regulation 4.2, UPSLDC suggested modifications as under:

"The customer seeking short term open access shall submit an undertaking that there is a valid contract for the said open access / proposed scheduling and not having entered into power purchase agreement or any other bilateral agreement with more than one person for the capacity (quantum of power) for which short term open access is sought. If a seller intending to sell its

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power, which is already tied up with any of its beneficiary to third party, then no objection of authorized person of the original beneficiary is required to allow the seller to sell the power to other third party."

- 14.3.2 It was suggested that undertaking may be mandated only for generators. The need of a consumer to avail open access is to optimize its power purchase costs by entering into multiple agreements with reliable and cheap power sources with different suppliers. In this reference the proposed regulation prohibits subsisting PPAs for the consumers, which will compel the consumers to procure power through one source only.

Instead, the condition may be rephrased to include only the generators under the condition of not having more than one agreement, unless specifically provided otherwise by the PPA. This condition was similarly included in the CERC Open Access Regulations also.

- 14.3.3 It was submitted that the intra-state generator shall be issued NOC for power exchanges transactions for the full installed capacity (or up to full merchant capacity) of the Project irrespective of the transaction being inter/intra-state transaction. The NOC shall be utilized by the generator for sale of tied up un-requisitioned capacity and untied capacity in power exchange/power markets, as the case may be.

In order to provide opportunity for intra-state Generator to sale un-requisitioned power in Power markets, revision of schedule in the intra-state transaction shall be as per CERC (IEGC) Regulation 2022.

Such intra-state generator shall provide an undertaking that its scheduled quantum shall not exceed NOC quantum, and such breach would result into DSM implication for the generator. Further, any contractual obligation on intra state generator from such sale of power in power exchanges shall be directly dealt by such generator with its customer.

This would entail minimizing stranded/idle power with intra-state generator and allow them to officer un-requisitioned surplus power in DAM/RTM of power exchanges in line with LPS- Amendment Regulation 2024.

- 14.3.4 With regard to draft Regulation 4.3, UPSLDC suggested modification as under:

"Application shall be accompanied by non-refundable application fee of Rs. 5,000/- plus applicable GST (or as determined by the Commission from time to time by an order) by RTGS/ NEFT/IMPS or through any other mode of

digital payment in favour of the Officer as notified by SLDC payable at Lucknow: In case of default in payment application fee, SLDC shall reject the application.

Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the application fee shall have to be paid by Lead GEOA against all the individual green energy open access consumers separately."

14.3.5 NPCL submitted that at present power scheduled under T-GNA and GNA both are being charged with the SLDC application charges of Re 5900/- (Rs. 5000/- plus 18% GST). The same was made applicable by UPSLDC vide their letter dated 01.12.2023 wherein it was informed that all the bilateral transactions shall attract SLDC application charges of Rs 5900/-.

Further, at present for scheduling of interstate power (bilateral and collective transaction), the application fee of Rs 5000/- is being charged by NRLDC. No GST is being charged on the application fee as per clause 12(b) of detailed procedure issued by NOAR for grant of T-GNA under CERC GNA Regulations.

NPCL has sought clarification regarding applicability of GST.

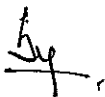
14.3.6 Another stakeholder suggested that the fee to be charged may be one from Lead GEOA and not from all the individual customers, as this will load excessive amount on other customers.

14.3.7 With regard to draft Regulation 4.4.1, UPSLDC submitted that the procedure to apply for advance application may kept be same as under CERC GNA Regulations so that consumer can also apply advance application from the current month also.

14.3.8 It was suggested that the application may be submitted by the 20th of the preceding month, which is in line with the T-GNA for advance basis.

Commission's View –

14.3.9 With regard to the suggestion that undertaking may be mandated only for generators, it is clarified that as per the draft, the injecting entity/drawee entity shall obtain registration with SLDC prior to making an application for short term open access. The registration shall be applicable for stated injection quantum or drawal quantum, as the case may be, during the stated period. The registration does not require the existence of any contract or subsisting PPAs. An application for availing short term open access under advance application category or exigency application category shall be made



for a specified quantum and specified time period with specified injection and drawal point which require existence of valid contract for scheduling of power. The parties may have more than one injection or drawal source and may apply for short term open access using any of the source as per their requirement. Therefore, the Commission decides to add a proviso to Regulation 4.2 as under:

"Provided that tied up un-requisitioned capacity and untied capacity shall be eligible for proposed scheduling and accordingly shall be considered while granting short term open access."

14.3.10 With regard to the issues related to power exchanges transactions, the Commission opines that these transactions are a subject matter of the applicable CERC Regulations and therefore should be dealt with accordingly therein.

14.3.11 As already deliberated at various paras above it is reiterated that each GEOA Consumer of that group shall be treated as single connection(s) for the operational, commercial and settlement purposes and therefore non-refundable application fee should be paid by all the individual GEOA Consumers towards efforts of various activities undertaken or to be undertaken by the Nodal Agency for processing of green energy open access application. However, consolidated non-refundable application fee may be paid for all such consumers.

The Commission considers the suggestions of the stakeholders and modifies Regulation 4.3 as under:

"Application shall be accompanied by non-refundable application fee of Rs. 5,000/- (or as determined by the Commission from time to time by an order) along with applicable taxes by RTGS/NEFT/IMPS or through any other mode of digital payment in favour of the Officer as notified by SLDC payable at Lucknow. In case of default in payment application fee, SLDC shall reject the application."

Provided that in case of green energy open access consumers intending to avail open access through Lead GEOA Consumer, the application fee shall have to be paid by all the individual green energy open access consumers cumulatively."

14.3.12 The suggestion to modify Regulation 4.4 and 4.4.1 in line with CERC GNA Regulations, is accepted and accordingly modifies as under:

"4.4 Application for grant of short term open access may be made under any of the following categories:



4.4.1 Advance application:

(a) Application made on the (D) day for grant of open access starting on or after the (D+3) day, which may fall either in the same month as the (D) day or in the subsequent month.

(b) Scheduling request under Advance application category shall be made on day ahead basis. The revision in schedule shall be as per UPEGC / IEGC.

14.3.13 Further in Regulation 4.4.2, the word "three" shall be substituted with the word "two" and the words "22nd day or" shall be deleted.

Commented Draft Regulations –

14.4 "5. Grant of Short-Term Open Access by Nodal Agency –

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5.2.1 Advance application:

Advance application for short-term open access shall be considered on first-come-first served basis and shall be processed latest by 25th day of such preceding month as stipulated in Regulation 4.4.1.

Provided that application for grant of green energy open access shall be considered on first-come-first served basis and shall be processed within a period of fifteen (15) days from the date of receipt of application complete in all respects, failing which it shall be deemed to have been approved subject to the fulfilment of the technical / operational requirements and conditions as specified under these Regulations.

Comments / Suggestions of the Stakeholders –

14.4.1 It was stated that the provision of deemed approval of application in case of non-adherence of timelines specified in the regulations is limited to green energy open access application only. It was further stated that many states such as Odisha, Telangana etc. have incorporated similar clauses for deemed approval for open access irrespective of green or conventional in nature. Therefore, it was suggested to modify the provision as under:

"Provided in case the Nodal Agency fails to process the application for short term open access, within the above specified time, the same shall be deemed to have been granted."

14.4.2 It was suggested that the timeline from 15 days may be reduced to 7 days.

Commission's View –

14.4.3 In view of deliberation at para 14.3.12 above, the Commission modifies Regulation 5.2.1 as under:

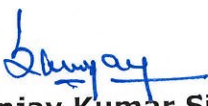
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"5.2.1 Advance application:

Advance application for short-term open access shall be considered on first-come-first served basis and shall be processed latest by 23:59 hrs of the (D+1) day, 'D' being the date of making the application.

Provided that in case the Nodal Agency fails to process the advance application for grant of green energy open access within the above specified timeline, the same shall be deemed to have been granted subject to the fulfilment of the technical / operational requirements and conditions as specified under these Regulations."


(Sanjay Kumar Singh)
Member


(Arvind Kumar)
Chairman

Place: Lucknow

Dated: .12.2024