

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,
No. 16 C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru- 560 052.

Dated: 08.06.2023

Present

Shri P. Ravi Kumar	.. Chairman
Shri H.M. Manjunatha	.. Member (Legal)
Shri M.D. Ravi	.. Member

In the matter of implementation of the KERC (Terms and Conditions for Green Energy Open Access) Regulations, 2022

The Commission, in exercise of the powers conferred under Section 86(1)(e) read with Sections 181, 39(2)(d), 40(c), 42(2, 3), 86(1)(c) of the Electricity Act, 2003 and all other powers enabling in this behalf has issued the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access (GEOA)) Regulations, 2022, in the Karnataka State Gazette on 19th January, 2023, in line with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 issued by the MoP and duly considering the comments/suggestions/objections/views of the stakeholders, which came into effect from the date of publication in the Official Gazette of Karnataka.

However, during the implementation of the Regulations, stakeholders have requested the Commission for providing clarification on various issues, which are discussed below:

1. **Implementation of Time of Day (TOD) settlement of energy injected/drawn:** In order to have a common methodology for calculation of all the open access charges, Rule 12 of the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 had mandated the Forum of Regulators (FoR) to prepare a model regulation on methodology for calculation of open access charges, as well as banking charges within a period of four months from the date of commencement of the rules. The Rule also specifies that while framing the methodology, the FoR shall ensure that various permissible charges are not



onerous and shall meet the prudent cost of the distribution licensee in order to fulfil the objective of promoting the procurement of green energy by Green Energy Open Access Consumers.

Accordingly, the Commission under Rule 11 of the KERC GEOA Regulations, 2022, has specified that it shall consider the methodology while computing the charges for Green Energy Open Access as specified by FoR under Rule 12 of the 'Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022' (as amended from time to time).

In accordance with the Rules, FoR in its Model Regulation on Methodology for calculation of Open Access charges and Banking charges for Green Energy Open Access Consumers, has specified that the energy banked during peak TOD slots shall be permitted to draw during peak as well as off-peak TOD slot. However, the energy banked during off-peak TOD slots shall be permitted to draw during off-peak TOD slot by only paying the banking charges and from off peak TOD slot to peak TOD slot by paying additional charges as may be specified by Appropriate Commission in addition to the banking charges.

Thus, the Commission in line with the methodology developed by FoR as specified under the Rules, decides to implement ToD settlement of energy injected/drawn. The Commission in its Regulations, has already specified the Banking Charges in kind @ 8% of the banked energy in line with the FoR methodology. However, the KERC GEOA Regulations are silent about the additional banking charges to be paid for drawal of energy during peak hours which was injected during off-peak hours. Thus, the Commission in line with the methodology developed by FoR, holds that 2% of the banked energy in kind in addition to the 8% banking charges should be charged for drawal of off-peak energy during peak hours. The ToD slots shall be as specified in the Tariff Orders issued from time to time and shall be applicable to LT consumer(s) also who seeks open access under the KERC GEOA Regulations. The morning peak slot shall be from 6:00hrs. to 10:00 hrs. and the evening peak slot shall be from 18:00 hrs to 22:00hrs, unless it is modified.



2. **Settlement priority between different generation sources:** Clause 6.1.3 of existing WBAs under the KERC (Terms and Conditions for Open Access) Regulations, stipulates that while billing the monthly demand charges, the power injected by the Company under wheeling shall be charged first to the consumption of exclusive, non-exclusive Consumers and Captive Consumers and the residual demand shall be deemed to have been met by the ESCOM in whose jurisdiction such consumer is located and shall be billed as per the applicable tariff. Thus, the bills should be prepared after deducting the consumption by the consumer from various open access sources like IEX, Wheeling etc., ensuring that power procured in any 15-min time block from all the sources will not exceed the contract demand. However, it is clarified that the following priority may be considered for adjustment of energy purchased from various sources while preparing the bills:

- a. Power market purchase;
- b. Short-term purchase other than power market;
- c. Medium-term purchase other than licensee;
- d. Long-term purchase other than licensee;
- e. Distribution licensee;

In view of the above, priority shall be given to inter-state transactions.

In case, the consumer buys power under the old regime as well as under the new regime of GEOA, the energy should be allocated on pro-rata basis of the contracted capacity under different regime, till such time the generating units which come under GEOA provide separate meters so that they can be treated separately for energy accounting purpose. Further, while billing, the energy under GEOA should be settled first followed by settlement of energy under old regime, with annual banking.

3. **Charges to be paid by new consumers to be added to an existing WBA (signed before issue of the KERC GEOA Regulations, 2022):** According to the Clause 6.1.1. of the Wheeling and Banking Agreement format 2014, any generator can add or delete consumers. With implementation of the KERC GEOA Regulations, 2022, any generator can still add or delete consumers under the existing wheeling and banking agreement. As far as the OA charges are concerned for these new consumers and for any capacity addition by existing consumers under the old

WBA regime, the charges in terms of GEOA have to be paid as the GEOA Regulations are applicable to all consumers who seek Open Access after coming into effect of the GEOA Regulations. Further, the banking facility shall be extended for such consumers in accordance with the GEOA Regulations.

4. **Applicability of Transmission charges for intra-State wheeling of energy:** The Commission in its Tariff Orders issued from time to time, has clarified that in case the wheeling of energy involves usage of Transmission network or network of more than one licensee, the charges shall be as indicated below:
- a) If only transmission network is used, transmission charges including losses determined by the Commission shall be payable to the Transmission Licensee.
 - b) If the Transmission network and the ESCOMs network is used, Transmission Charges shall be payable to the Transmission Licensee, in addition to transmission and distribution licensee's technical losses and wheeling charges shall be payable to the ESCOM where the power is drawn. Wheeling charges of the ESCOM where the power is drawn shall be shared equally among the ESCOMs whose networks are used.
 - c) If ESCOMs' network only is used, after deducting the ESCOMs technical loss the Wheeling Charges of the ESCOM where the power is drawn is payable and shall be shared equally among the ESCOMs whose networks are used.
5. **Charges applicable under the KERC (Terms and Conditions for Green Energy Open Access) Regulations, 2022:** Regulation 11(i) of KERC (Terms and Conditions for GEOA) Regulations, 2022 specify that the Open Access Charges shall be determined by the Commission considering the methodology specified by FoR. However, till the time the Commission adopts and determines the charges in accordance with the methodology specified by FoR, the KPTCL/SLDC/ESCOMs are directed to collect the following:
- i. The transmission charges along with transmission losses as determined by the Commission in its Tariff Order shall also be applicable for all transactions coming under GEOA.



- ii. Wheeling charges, wheeling losses, additional surcharge and Cross-subsidy surcharge in full, as determined by the Commission in its Tariff Orders issued from time to time.

Note: Additional surcharge shall not be applicable, if full fixed charges of the licensee are being recovered through retail supply tariff and such full fixed charges are paid by the Open Access consumers.

- iii. Standby charges as per the Rules specified by the MoP;
- iv. Banking charges as specified by FoR (8% of banked energy);
- v. Any other charges as determined by the Commission from time to time;

Other applicable charges are listed below:

- a. Additional surcharge as determined by the Commission in its Tariff Order issued from time to time, since as per the present tariff structure, the consumers are not paying full fixed cost;
- b. Monthly transaction charges of Rs. 3000 (Rupees Three Thousand only) for maintaining the transaction details,
- c. Meter reading charges of Rs. 1000 (Rupees One Thousand only) per month, in case AMR meters having remote meter reading facilities are not functional,
- d. Load despatch Centre fees and charges as determined by the Commission from time to time,
- e. Scheduling and system operation charges as determined by the Commission from time to time,
- f. Applicable Parallel operation charges as determined by the Commission from time to time,
- g. Reactive power charges as determined by the Commission from time to time,
- h. Deviation settlement charges as specified under the Regulations as amended from time to time,
- i. Other charges as specified under the various KERC Regulations, if any.

Note: All the charges applicable to long-term OA consumers shall also be applicable to consumers applying for medium-term Open Access under the KERC GEOA Regulations.

This Order is signed and issued by the Karnataka Electricity Regulatory Commission on this 08 June, 2023.




(P. RAVI KUMAR)

Chairman



(H.M. MANJUNATHA)

Member (Legal)



(M.D. RAVI)

Member