MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

1stFloor (Front Block Left Wing), New Administrative Building Lower Lachumiere, Shillong–793 001 East Khasi Hills District, Meghalaya

Discussion Paper for inviting comments/objections from stakeholders/general public for finalization of the Meghalaya State Electricity Regulatory Commission (Terms and Conditions of Green Energy Open Access) Regulations, 2023.

Background

- Section 181 of the Electricity Act, 2003 empowers the Commission to frame various regulations specified therein. The Section 181 (1) provides that "The State Commission may, by notification, make regulations consistent with this Act and the Regulations generally to implement the provisions of this Act.
- 2. The Ministry of Power, Government of India, has notified, on 06thJune, 2022, the Electricity (Promoting use of Renewable Energy through Green Energy Open Access) Regulations, 2022, applicable on generation, purchase and consumption of green energy as defined therein including waste-to-energy power plants.

The salient features and benefits to common consumers from 'Green Energy Open Access' are as given below:

- a. These rules are notified for promoting generation, purchase and consumption of green energy including the energy from Waste-to-Energy plants.
- b. The Green Open Access is allowed to any consumer and the limit of Open Access Transaction has been reduced from 1 MW to 100 kW capacity for green energy, to enable small consumers and also to purchase renewable power through open access.
- c. Consumers are eligible to demand supply of Green Power from Discoms. Discoms would be obligated to procure and supply green power to eligible consumers.
- d. These Rules will also streamline the overall approval process for granting open access. Time bound processing by bringing uniformity and transparency in the application as well as approval of open access through a national portal has been mandated. Approval for Green Open Access is to be granted in 15 days or else it will be deemed to have been granted.
- e. Commercial and Industrial consumers are allowed to purchase green power on voluntarily basis.

- f. Provide certainty on open access charges to be levied on Green Energy Open Access Consumers which includes transmission charges, wheeling charges, cross-subsidy surcharge and standby charges. Cap on increasing of cross-subsidy surcharge as well as the removal of additional surcharge, incentivize the consumers to go green.
- g. There shall be a uniform Renewable Purchase Obligation (RPO), on all obligated entities in the area of a distribution licensees. Green Hydrogen/Green Ammonia has also been included for fulfillment of its RPO.
- h. Consumers will be given Green Certificates if they consume green power.
- 3. India has set an ambitious target of non-fossil energy capacity of 500 GW by 2030, out of which 280 GW is expected to be the share of solar generation. India has a target of 5 million ton a year of green hydrogen capacity by 2030. By the year 2070, India has a target to achieve Net Zero Carbon Emissions i.e. Carbon Neutral.
- 4. The Commission, in exercise of the powers conferred under Section 86(1)(e), which envisages promotion of co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, 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, proposes to introduce the Regulations, namely, the Meghalaya State Electricity Regulatory Commission (Terms and Conditions of Green Energy Open Access) Regulations, 2023 duly considering the Electricity (Promoting use of Renewable Energy Through Green Energy Open Access) Rules, 2022 issued by the Ministry of Power, Govt. of India.
- 5. The proposed regulations shall be applicable, qua the green energy stakeholders, notwithstanding anything to the contrary contained in any other regulations for the time being in force, unless specifically mentioned in these regulations.
- 6. The Commission has already notified the Regulations, namely, MSERC (Terms and Conditions of Open Access) Regulations 2012 dated 27.04.2012 which are in force.
- 7. The proposed Draft Regulation is attached herewith as ANNEXURE-A.

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

New Admn. Building, Left Wing, 1st Floor Lower Lachumiere: Shillong – 793001

DRAFT REGULATION

Dated: 28.09.2023

No. MSERC/Green Tariff/Regn/2023/208:In exercise of the powers conferred under section 181, of the Electricity Act, 2003 (36 of 2003), read with section 42, section 61 and section 86 thereof and all other powers enabling in this behalf, the Meghalaya State Electricity Regulatory Commission hereby proposes to introduce the following Regulations, namely-

Meghalaya State Electricity Regulatory Commission

(Terms and Conditions of Green Energy Open Access) Regulations 2023

CHAPTER 1

PRELIMINARY

1. Short Title, Extent and Commencement

- (1) These Regulations may be called the Meghalaya State Electricity Regulatory Commission (Terms and Conditions of Green Energy Open Access) Regulations, 2023.
- (2) These Regulations shall come into force from the date of their notification in the Official Gazette of Meghalaya.
- (3) These Regulations shall extend to the whole of the State of Meghalaya.

2. Objective

The objective of these regulations is to provide a methodology for the determination of Open Access charges and Banking charges for Green Energy Open Access consumers.

3. Definitions

- (1) In these regulations, unless the context otherwise requires,
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003);

- (b) "Banking" means the surplus green energy scheduled and injected into the grid and credited with the distribution licensee by the Green Energy Open Access consumers;
- (c) 'Central Commission' means the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of the Electricity Act 2003;
- (d) "Central Nodal Agency" means a Central Nodal Agency as notified by the Central Government to set up and operate a single window green energy open access system for renewable energy;
- (e) "Commission" means the Meghalaya State Electricity Regulatory Commission constituted under the Electricity Act 2003;
- (f) "Day Ahead Market (DAM)" means a market where Day Ahead Contracts are transacted on the Power Exchange(s);
- (g) "Forum of Regulators" means the Forum as referred to in sub-section (2) of section 166 of the Act;
- (h) "Fossil Fuel" means fuels such as coal, lignite, gas, liquid fuel or combination of these as its primary source of energy, which are used in Thermal Generating Station for generating electricity;
- (i) "Green Energy" means the electrical energy from renewable sources of energy including hydro and storage (if the storage uses renewable energy) or any other technology as may be notified by the Government of India from time to time and shall also include any mechanism that utilizes green energy to replace fossil fuels including production of green hydrogen or green ammonia as may be determined by the Central Government;
- (j) "Green Energy Open Access Consumer" means any person who has contracted demand or sanctioned load of 100kW or more or such other limit as may be specified by Commission from time to time, except for captive consumers, who are supplied with electricity from green energy sources for their own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving

- green energy with the works of a licensee, the Government or such person, as the case may be.
- (k) "Medium-term open access" means the open access for a period exceeding three months but not exceeding three years
- (I) "Month" means a calendar month as per the Gregorian calendar;
- (m) "State Nodal Agency" means the nodal agency defined in Regulation 7 of these regulations;
- (n) "Open access" means the non discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a generating company in accordance with these regulations and includes long-term open access, medium-term open access and short-term open access.
- (o) "Rules" means the Electricity (Promoting use of Renewable Energy
 Through Green Energy Open Access) Rules, 2022 and subsequent
 amendments;
- (p) "SERC" means the State Electricity Regulatory Commission;
- (q) "Short-term open access" means open access for a period up to one month at a time.
- (r) "SLDC" means the State Load Dispatch Centre established under sub section (1) of section 31 of the Electricity Act 2003;
- (s) "State Grid Code" means the State Grid Code notified by the Commission under clause (h) of sub-section (1) of section 86 of the Act, applicable on the date of commencement of these regulations and as amended from time to time;
- (t) "Standby charges" means the charges applicable to green energy open access consumers against the standby arrangement provided by the distribution licensee, in case such green energy 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 systems and the like;

- (u) "State Transmission Utility (STU)" means the State Electricity Board or the Government Company notified by the State Government under sub-section (1) of section 39 of the Electricity Act 2003;
- (v) "Wheeling" means the operation whereby the distribution system and associated facilities of a transmission Licensee or distribution Licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under section 62 of the Electricity Act 2003;
- (2) Words and expressions used and not defined in these regulations but defined in the Act or IEGC or State Grid Code or any other regulation of the Commission shall have the meaning assigned to them under the Act or the IEGC or the State Grid Code or any other regulation of the Commission as the case may be.

4. Scope and Applicability

These regulations shall be applicable for allowing Open Access of electricity generated from green energy sources as defined under clause (1) (i) of Regulation 3 of these Regulations, including the energy from non-fossil fuel-based Waste-to-Energy plant for use of Intra-State Transmission System (InSTS) or distribution system or both, which are incidental to Inter- State Transmission of electricity.

CHAPTER 2

GENERAL PROVISIONS OF OPEN ACCESS

5. Categorization of Open Access:

The open access consumers shall be classified into the following categories based on the duration of use of the Intra -state transmission and/or distribution system

- Long-term Open Access consumers- persons availing or intending to avail the open access for a Period equal to or more than five years.
- ii. Medium-term Open Access consumers persons availing or intending to avail the open access for a period more than one year and less than 5 years.
- iii. Short-term Open Access consumers- persons availing or intending to avail the open access for a period of one year or less.

Provided that the short-term open access consumers shall be eligible & re-eligible to obtain fresh entitlement on filing of application after the expiry of his term and subject to availability. Such eligibility shall be on priority determined on the basis of the date of application

6. Eligibility criteria for Green Energy Open Access:

The consumers who have contracted demand or sanctioned load of hundred kW (100 kW) and above shall be eligible to take power through Green Energy Open Access and there shall be no limit of supply of power for the captive consumers taking power under Green Energy Open Access.

Provided that such open access shall be for a minimum twelve time blocks of 15 minutes time interval during a day, for which the consumer shall not change the quantum of power consumed through open access.

Provided further that such consumer of a distribution licensee shall be entitled for seeking open access provided he is connected through an independent feeder emanating from a grid sub-station. In case of more than one such consumer on such independent feeder, the following condition shall apply:-

A group of two or more consumers of a distribution licensee having a contracted demand or sanctioned load of hundred (100) kW and above connected to the distribution system of licensee at 11 kV or above through an independent feeder

emanating from a grid substation, shall also be entitled for seeking open access if all such consumers collectively apply for open access through a group representative to be nominated by all such consumers on that feeder provided that all such consumers shall have necessary infrastructure for time-block wise energy metering and accounting installed at their premises and provided further that schedule of power through open access of individual consumers shall also be supplied by the group representative. However, all the individual consumers of the group shall have to separately pay the prescribed application fee and SLDC charges. Alternately if such a group of consumers agree for a single point connection, the group as a whole shall be treated as a single consumer for all practical purposes including scheduling, metering and billing and in that case individual ABT metering equipment will not be required. The application fee and SLDC charges shall also be charged for a single application. The billing shall be done based on ABT meter installed on the independent feeder at the sub-station and the contract demand of the group shall be taken as the sum of the contract demands of the individual consumers.

Provided further that the consumers of a distribution licensee with contract demand of 100KW or above who are not on independent feeders may be allowed open access subject to the condition that they agree to the system constraints as well as the power cut restrictions imposed by the distribution licensee serving them. In such cases, under drawl, if any, on account of power cut restrictions shall not be compensated.

Provided further that the grant of open access to such consumers shall be subject to the condition that if power is scheduled to be sold/procured through open access in any timeslot of the day, it shall not be less than 100 kW.

Provided further that such consumers, having been declared insolvent or bankrupt or having outstanding dues against him for more than two months billing of the distribution/transmission licensee or having a case of unauthorized use of electricity/theft of electricity pending against him at the time of application, shall not be eligible for open access.

Provided further that the green energy open access consumer shall restrict the sum of his total drawl from open access and from the distribution licensee upto the total sanctioned contract demand. The maximum admissible drawal in any time block during the day for green energy open access consumer shall be the difference of sanctioned contract demand and scheduled entitlement.

7. Nodal Agency:

- (1) The Central Government has notified the 'POSOCO' as the Central Nodal Agency to set up and operate a single window green energy open access system for renewable energy.
- (2) SLDC shall be the State Nodal Agency for grant of green energy open access for short term (upto a month) and the State Transmission Utility (STU) shall be the Nodal Agency for grant of Green Energy Open Access for medium (one month to three years) and long term (more than three years).
- (3) All the applications related to connectivity and green energy open access shall be received and processed at STU Headquarter in accordance with the procedure and formats devised by STU. The STU may be guided by the procedure prepared by POSOCO (The Grid Controller of India Ltd.) for grant of green energy open access.

8. Procedure for grant of Green Energy Open Access:

- (1) The detailed procedure for grant of connectivity and Green Energy Open Access including the application format and applicable Bank Guarantees/Fee/Charges etc., shall be prepared by the State Nodal agency, within a period of 30 days from the date of notification of these regulations and filed in this Commission for approval.
- (2) All the applications for the Green Energy Open Access complete in all respects, shall be submitted on the portal set up by the Central Nodal Agency and these applications shall get routed to the State nodal agency as specified by the Commission under these Regulations for grant of green energy open access.
- (3) The State Nodal Agency shall, by an order in writing, approve the applications for the Green Energy Open Access within a period of fifteen days from the date of receipt of complete application for connectivity/open access, failing which it shall be deemed to have been approved subject to the fulfillment of the technical requirements as specified by the Commission:

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

- (4) The Short term and medium term open access shall be allowed, if there is sufficient spare capacity available in the transmission system without any augmentation whereas for long term open access, the transmission system may be augmented if required:
 - Provided that priority shall be given to long term in the existing system if spare capacity is available and further, open access for non-fossil fuel sources shall be given priority over the open access from the fossil fuel.
- (5) No application for open access shall be denied unless the applicant has been given an opportunity of being heard in the matter by the State Nodal Agency and all orders denying open access shall be speaking orders.
- (6) Appeals against an order of the State Nodal Agency, shall lie before the Commission, within a period of thirty days from the date of receipt of order.
- (7) The Commission shall dispose the appeal within a period of three months and the order issued by it, shall be binding on the parties.

9. Banking Facility and Charges

- a) Banking facility shall be provided to the consumers availing Green Energy Open Access. The surplus energy from a 'Green Energy' Generating Station after setoff shall be banked with the Distribution Licensee.
- b) The banking facility including injection of surplus energy and drawal of banked energy shall be subject to scheduling.
- c) The Banking Charges shall be adjusted in kind @ 8% of the energy banked.
- d) The Banking of energy shall be permitted only on monthly basis as per Calendar month:
 - Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective Time of Day ('TOD') slots determined by the Commission in its Orders determining the tariff of the Distribution Licensee; Provided further that, the energy banked during peak TOD slots shall be permitted to draw during peak as well as off-peak TOD slot by paying the banking charges as specified in Clause 9(c)

- of this Regulation. However, the energy banked during off-peak TOD slots shall be permitted to draw during off-peak ToD slot only.
- e) The un-utilized surplus banked energy at the end of the month, shall be considered as lapsed at the end of each month:

Provided that, the RE Generating Station would be entitled to Renewable Energy Certificates to that extent.

10. Green Energy Certificate

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

CHAPTER 3

GREEN ENERGY OPEN ACCESS CHARGES

11. Green Energy Open Access Charges

The charges on Green Energy Open Access consumers shall be as follows: -

- (1) Transmission charges;
- (2) Wheeling charges;
- (3) Cross subsidy Surcharge;
- (4) Standby charges wherever applicable;
- (5) Banking Charge and
- (6) Other fees and charges such as SLDC fees and scheduling charges, deviation settlement (DSM) charges as per the relevant regulations of the Commission.

12. Transmission Charges

- a) For use of inter-State transmission system: As specified by the Central Commission from time to time.
- **b)** For use of intra-State transmission system:
 - i) Transmission Charges for Long-Term/Medium-Term Green Energy Open Access, shall be as below:

Where,

Total Transmission system Cost for InSTS shall be sum of Annual Revenue Requirement (ARR) or annual transmission service charge of Transmission Licensee(s) in the State approved or adopted by the Commission.

PLS is the Peak load served by the State transmission system during the year:

Provided that, in case of multiple transmission licensees in the States, the ARR for all the Transmission licensees shall be pooled together for computation of TTSC.

Transmission Charges will be calculated as Rs/kW/month or Rs/MW/day.

i) Transmission Charges for Short-Term Green Energy Open access, shall be computed as:

Transmission Charge (STOA) = Total Transmission System Charges (TTSC)

Energy transmitted by transmission licensee during the year

Transmission Charge for Short-Term Green Energy Open Access shall be computed in Rs/kWh and it shall be charged on the actual energy transmitted:

Provided that the existing waivers or concessions in the Transmission Charges applicable for green energy open access transactions under Meghalaya State Electricity Regulatory Commission open Access Regulations shall continue as specified by the Meghalaya State Electricity Regulatory Commission

- iii) While determining transmission charges for the ensuing year, Transmission ARR will be trued up by the Commission as per provisions of the MYT Regulations and on considering the Transmission revenue recovered from the Short-term green energy Open Access Consumers for the previous year.
- iv) In case, where a dedicated transmission system used for open access has been constructed for exclusive use of an open access consumer, the transmission charges for such dedicated system shall be worked out by transmission licensee for their respective systems and get the same approved by the Commission. The charges shall be borne entirely by such open access consumer till such time the surplus capacity is allotted and used for by other persons or purposes.
- v) In addition to Transmission Charge, Intra-State Transmission loss shall be applicable to consumers seeking Green Energy Open Access as approved by the Commission.

13. Wheeling Charges

a) Wheeling Charges payable to Distribution Licensee for Long-Term/Medium-Term/Short-Term Green Energy Open Access, shall be computed as:

Wheeling Charges =
$$\frac{(ARR - PPC - TC)}{(Energy Wheeled during the Year)}$$
 (in Rs./kWh)

Where,

ARR = Annual Revenue Requirement of the distribution licensee in the concerned year

PPC = Total Power Purchase Cost of distribution licensee in the concerned year

TC = Total transmission charges paid by distribution licensee for State and associated facilities and Inter-State transmission system for the concerned year

Provided that Wheeling charges shall be payable on the basis actual power flow.

Provided further that where a dedicated distribution system used for open access has been constructed for exclusive use of an open access customer, the wheeling charges for such dedicated system shall be worked out by distribution licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes;

Wheeling Charge for Green Energy Open Access shall be computed in Rs/kWh and it shall be charged on the actual energy wheeled:

Provided that the existing waivers or concessions in the Wheeling Charges applicable for renewable energy open access transactions under MSERC (Terms and Conditions of Open Access Regulations) 2012 shall continue as specified by the Meghalaya State Electricity Regulatory Commission.

b) In case, where a dedicated distribution system used for open access has been constructed for exclusive use of an open access consumer, the wheeling charges for such dedicated system shall be worked out by distribution licensee for their respective systems and get the same approved by the Commission. Such charges shall be borne entirely by such open access consumer till such time the surplus capacity is allotted and used for by other persons:

Provided also that an open access consumer connected to the Intra State Transmission system shall be liable to pay the wheeling charges determined under this regulation, if such consumer was paying wheeling charges directly or indirectly before availing the green energy open access.

c) In addition to Wheeling Charge, Wheeling loss shall be applicable to consumers seeking Green Energy Open Access as approved by the Commission:

Provided that, the Wheeling loss shall include only technical loss and not Aggregate Technical and Commercial loss of that Distribution Licensee.

14. Cross subsidy surcharge

- a) If Green energy open access facility is availed by consumer of a distribution licensee of the State, then such consumer, in addition to transmission and wheeling charges, shall pay cross subsidy surcharge determined by the Commission. Cross subsidy surcharge determined on Per Unit basis shall be payable, monthly by the green energy open access consumers based on the actual energy drawn during the month through open access. The amount of surcharge shall be paid to the distribution licensee of the area of supply from whom the consumer was availing supply before seeking open access.
- b) The Cross-Subsidy Surcharge (CSS) shall be determined in accordance with the following formula specified in Tariff Policy, 2016 as amended time to time:

$$CSS(S) = T - [C/(1-L/100) + D+ R]$$

Wherein:

S – surcharge

T – Tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C – Per unit weighted average cost of power purchase by Licensee, including meeting Renewable Purchase Obligation

L – Aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

D – Aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

R – Per unit cost of carrying regulatory assets.

Provided that in case the above formula gives negative value of surcharge, the same shall be zero;

c) The Cross-Subsidy Surcharge shall not exceed 20% of Average Billing Rate (ABR) applicable to the category of the consumers seeking Green Energy Open Access or 20% of Average Cost of Supply of Discom determined in the relevant year as fixed by the Commission.

Provided that the Commission may fix a lower surcharge in the situation of shortages and load shedding by the distribution licensee;

Provided further that such cross-subsidy surcharge shall not be levied in case distribution access is provided to a person who has been availing green power from the plant established as captive generation plant for his own use;

Provided also 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 the Open Access Consumer;

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

d) Cross-Subsidy Surcharge for Green Energy Open Access shall be computed in Rs/kWh and shall be charged on the actual energy consumed by the consumer under Green Energy Open Access.

15. Standby Facility and Charges

- a) In case the green energy 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 systems and the like, standby arrangement shall be provided to Green Energy Open Access consumer by the distribution licensee of the area of its supply.
- b) The Standby Charges for Green Energy Open Access for such standby arrangement shall be 125% of normal tariff of the consumer category:

 Provided that such Standby Charges shall not be applicable if the Green Energy Open Access Consumers have given notice, at least a day in advance before gate closure in DAM on 'D-1' day, 'D' being the day of delivery of power, for standby arrangement to the distribution licensee.
- c) The Standby Charges for Green Energy Open Access shall be computed in Rs/kWh and it shall be charged on the actual energy drawn by the consumer from distribution licensee during the period of standby availed by Green Energy Open

Access consumer in case of outage of RE generator under Green Energy Open Access.

16. Other Charges

In addition to above charges, the consumer availing Green Energy Open Access shall also pay the following charges determined by the Commission as per the provisions of the relevant regulations of the Commission:

- a) Applicable SLDC fees and charges
- b) Scheduling charges
- c) RE Deviation Settlement Charges

17. Collection and Disbursement of Charges

The Charges in respect of Green Energy Open Access consumers shall be payable to the State Nodal Agency in accordance with the terms and conditions of payment as specified by the State Nodal Agency. State Nodal Agency shall disburse the amount received to the appropriate licensees i.e., Transmission charges to the STU and Distribution network charges to the Distribution licensee.

CHAPTER 4

MISCELLANEOUS

18. Power to give directions

The Commission may from time to time issue such directions and orders as considered appropriate for implementation of these Regulations

19. Power to relax

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

20. Power to amend

The Commission may from time to time add, vary, alter, suspend, modify, amend, or repeal any provisions of these Regulations.

21. Power to remove difficulties

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by an order, make such provisions, not inconsistent to the provision of the Act and these Regulations, as may appear to be necessary for removing the difficulty.

22. Interpretation

The decision of the Commission regarding the interpretation of these Regulations shall be final and binding.

Sd/-

Secretary
Meghalaya State Electricity Regulatory Commission