

**MERC (Distribution Open Access) and (Transmission Open Access) Regulations, 2016****PRACTICE DIRECTIONS****PROCESSING OF OPEN ACCESS APPLICATIONS****Preamble**

The Commission has received several representations regarding difficulties faced by Open Access Applicants with regard to the following issues raised by a Distribution Licensee:

- i) Day-ahead Open Access for sourcing power through Power Exchanges;
- ii) Renewable Purchase Obligation (RPO) compliance by Open Access Applicants;
- iii) Restricting Open Access to the extent of Contract Demand.

**1.1 Day-ahead Open Access for sourcing power from Power Exchanges**

In case of sourcing of power through Power Exchanges, 'Day-ahead Open Access' appears to have been misinterpreted as meaning the specific Day-ahead products of the Power Exchanges. However, the MERC (Distribution Open Access), Regulations, 2016 ('DOA Regulations') and MERC (Transmission Open Access), Regulations, 2016 ('TOA Regulations') relating to Day-ahead Open Access do not refer to any specific product of Power Exchanges. Under the DOA Regulations, Day-ahead Open Access refers only to an Application made a day prior to the date of commencement of Short-Term Open Access. The Regulations specify the procedure for such Day-ahead Open Access irrespective of the type or source of supply, whether from Power Exchanges or otherwise. The procedure for Short-Term Open Access (other than Day-ahead) from any source, including Power Exchanges, is also specified in the Regulations.

**1.2 RPO compliance by Open Access Applicants**

It is reported that Open Access Applicants are being asked to submit Renewable Purchase Obligation (RPO) compliance data along with their Applications and being refused permission if it is not furnished. The DOA Regulations, 2016, do not entitle the Distribution Licensee to seek RPO compliance data from Open Access Applicants, leave alone reject such Applications on this ground. RPO compliance monitoring and verification is undertaken under separate Regulations, and has no nexus with the processing of applications and the grant or otherwise of Open Access.

**1.3 Restricting Open Access to the extent of Contract Demand**

It has been brought to the Commission's notice that the quantum of power permitted through Open Access is being restricted to the extent of the consumer's Contract Demand with the Licensee. However, the DOA Regulations do not limit the quantum of power to be sourced through Open Access to the consumer's Contract Demand. Regulations 8.10, 12.1 and 12.2 of the DOA Regulations specify that the Distribution Licensee has to verify the feasibility of infrastructure/capacity of the distribution system, and grant Medium or Short-Term Open Access if the resultant power flow can be accommodated in the existing distribution system. If the existing distribution system/metering system requires any augmentation or upgradation, the Licensee has to communicate it to the Open Access Applicant and follow the procedure specified in the Commission's Electricity Supply Code



and Standards of Performance Regulations. Under Regulation 4.2 of the DOA Regulations, whether or not to seek an increase, decrease or retain his level of Contract Demand is entirely left to the consumer and is governed by the relevant provisions of the Supply Code and Standards of Performance Regulations.

These issues have been raised notwithstanding the clear provisions of the TOA and DOA Regulations in this regard. Therefore, in exercise of the powers conferred under Regulation 34 of TOA Regulations and 35 of the DOA Regulations, the Commission is constrained to give the following Practice Directions in the background and facts set out above:

### Practice Directions

1. Where an Application is made for Short-Term Open Access (other than one day prior) for availing power from any source, including through Power Exchanges, the Nodal Agency has to follow the procedure specified in Regulation 11.2 of the DOA Regulations and Regulation 11.1 of the TOA Regulations, as the case may be; and the procedure specified in Regulations 11.3 to 11.6 of the DOA Regulations and Regulation 11.2 of the TOA Regulations for Day-ahead Open Access. Day-ahead Open Access refers only to Short-term Open Access applied for a day in advance, and not to any particular type of source or a specific product of a Power Exchange.
2. Where an Application is made for Transmission or Distribution Open Access for sourcing power through Power Exchanges, MSLDC shall provide clearance to the Nodal Agency as per the formats prescribed by the Central Electricity Regulatory Commission, with a copy to the Open Access Applicant.
3. Under Regulation 4.2 of the DOA Regulations, the matter of Contract Demand is to be governed by the provisions of the Electricity Supply Code and the Standards of Performance Regulations, and does not provide for any revision in Contract Demand by the consumer as a condition for grant of Open Access. Hence, an Application for Open Access shall not be rejected on the ground that the consumer has not increased or otherwise revised his Contract Demand, which is entirely at his option. However, the Regulations also provide that the Distribution Licensee verify the availability of necessary infrastructure and capacity of the distribution system, and grant Medium or Short-Term Open Access only if the resultant power flow can be accommodated in the existing distribution system. If the existing distribution and metering system requires any augmentation or upgradation before Open Access to the extent applied for can be provided, it shall intimate the Applicant accordingly, in writing and in the stipulated time, and follow the procedure specified in the Electricity Supply Code and Standards of Performance Regulations.
4. Distribution Licensees/Nodal Agencies shall not seek any information pertaining to the RPO compliance of an Open Access Applicant, or reject Applications on that ground.

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