

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Regulation No.1 of 2016

Amendment to the Andhra Pradesh Electricity Regulatory Commission
(Terms and Conditions of Open Access) Regulation,2005 (Regulation No.2 of 2005).

Preamble

The Andhra Pradesh Electricity Regulatory Commission (hereinafter referred to as the Commission) has issued and notified the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation, 2005 (Regulation No.2 of 2005) in A.P. Extra Ordinary Gazette on 01-07-2005.

The said Principal Regulation No.2 of 2005 contained the guidelines for the Licensees and Open Access users in the State of Andhra Pradesh in the matter of availing Open Access by the users including Generating Companies and Licensees.

Whereas the Government of Andhra Pradesh has issued the new Solar Power Policy, 2015 and new Wind Power Policy, 2015 vide G.O.Ms.No.8, dated 12-02-2015 and G.O.Ms.No.9, dated 13-02-2015 respectively superseding the earlier Solar Power Policy, 2012 and Wind Power Policy, 2008, *inter alia*, to meet the twin objectives of energy security and clean energy development.

And whereas the Government of Andhra Pradesh vide its letter No.348/Power.II(2)/2015, dated 09-03-2015, citing the provisions of Section 108 of the Electricity Act, 2003, requested the Andhra Pradesh Electricity Regulatory Commission to adopt and issue necessary Regulations / Orders for giving effect to the Andhra Pradesh Solar Power Policy, 2015 and the Andhra Pradesh Wind Power Policy, 2015.

Among other things, the above policies provide certain incentives in respect of the following items / parameters (which come under the purview of the Commission and require amendments to the existing Regulation) to the Solar and Wind Power Projects commissioned during the operative periods of the policies *viz.*, from 12-02-2015 to 11-02-2020 in respect of Solar Power Projects and from 13-02-2015 to 12-02-2020 in respect of Wind Power Projects in the State of Andhra Pradesh.

(A) Transmission and Distribution charges for wheeling of Power:

(i) Para 4.a of Solar Power Policy, 2015

Transmission and distribution charges shall be exempted for wheeling of power generated from Solar Power Projects for only captive use/third party sale within the State.

(ii) Para 8 (b) of Wind Power Policy, 2015

There will be no Transmission and Distribution charges for wheeling of power generated from wind power projects, to the desired location/s for captive use/third party sale within the State through grid. However, the Transmission and

Distribution charges for wheeling of power generated from the wind power projects for sale outside the State shall be as per regulations of APERC.

The 3rd party sale by eligible developers under this policy will be permitted only to HT-I category consumers as categorized in Tariff Orders and as per the regulations issued by APERC from time to time.

(B) Distribution Losses

Para 4(b) of Solar Power Policy, 2015

Distribution losses shall be exempted only for Solar Power Projects injecting at 33 KV or below irrespective of voltage-level of the delivery point within the Discom.

(C) Open Access

Para 4(d) of Solar Power Policy, 2015 and Para 8(d) of Wind Power Policy, 2015

Intra-state Open Access clearance for the whole tenure of the project or 25 years whichever is earlier will be granted as per the APERC Regulations amended from time to time. In the absence of any response or intimation from the Nodal Agency to the generator within 21 days, then such application shall be considered to be deemed open access.

(D) Cross Subsidy Surcharge

Para 4 (f) of Solar Power Policy, 2015

Cross Subsidy Surcharge shall be exempted for third party sale provided the source of power is from Solar Power Projects setup within the State for a period of five (5) years from the date of Commissioning of the SPP.

Accordingly, the Commission has published Draft Regulation on its website on 27-08-2015 and invited comments/views/suggestions from all the stake-holders / interested parties. The Commission has also conducted public hearing on 19-12-2015.

During the public hearing and also through written views submitted to the Commission, there were several requests from both the Solar and Wind power developers and the Government of Andhra Pradesh to make the new Regulation applicable from the dates of issue of the respective Solar and Wind Power Policies by the Government of Andhra Pradesh.

Having regard to the views/suggestions/comments received and the request made by the Government of Andhra Pradesh, in exercise of Powers vested with it under section 181(1) of the Electricity Act,2003 read with Sections 39 (2) (d) (ii), 40 (c) (ii), 42 (2), 42 (3), 42 (4) and 86 (1) (e) of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling in this behalf including those conferred by the Andhra Pradesh Electricity Reform Act,1998 (State Act 30 of 1998) and the Andhra Pradesh Reorganization Act, 2014 (Central Act 6 of 2014), the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Amendments to the Principal Regulation viz., Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulation,2005 (Regulation No.2 of 2005).

1. Short title, Commencement and Interpretation

- (i) This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions of Open Access) (First Amendment) Regulation, 2016.
- (ii) This Regulation shall be deemed to have come into force with effect from 12-02-2015 in respect of Solar Power Projects commissioned during the operative period of the Andhra Pradesh Solar Power Policy, 2015 i.e., from 12-02-2015 to 11-02-2020 and 13-02-2015 in respect of Wind Power Projects commissioned during the operative period of the Andhra Pradesh Wind Power Policy, 2015 i.e., from 13-02-2015 to 12-02-2020 in the State of Andhra Pradesh.

2. Amendment to Para 10.6 of Principal Regulation

The following *proviso* shall be added to Para 10.6

“Provided that in the absence of any response or intimation from the Nodal Agency to the applicant within 30 days of closure of a window, then such application shall be deemed to have been allowed Open Access by the Nodal Agency in terms of such application.”

3. Amendments to Para 17.1 of Principal Regulation

- a. The following *proviso* shall be added as second *proviso* to Para 17.1(i)

“Provided further that the Transmission and Wheeling charges shall be exempted for wheeling of power generated from such Solar and Wind Power Projects and for such operative periods as mentioned in G.O.Ms.No.8, Dated 12-02-2015 and G.O.Ms.No.9, Dated 13-02-2015 respectively for only captive use / third party sale within the State.”

- b. The *following proviso* shall be added as third *proviso* after the above *proviso* to Para 17.1 (i)

“Provided also that the Distribution losses shall be exempted for such Solar Power Projects and for such operative period as mentioned in G.O.Ms.No.8, Dated 12-02-2015 injecting at 33 kV or below irrespective of voltage-level of the delivery point within the Discom for such projects.”

- c. The following *proviso* shall be added as the second *proviso* to Para 17.1 (iii)

“Provided further that the Cross Subsidy Surcharge and additional surcharge shall be exempted for third party sale if the source of power is from such Solar Power Projects set up within the State as mentioned in G.O.Ms.No.8, Dated 12-02-2015 for a period of five (5) years from the date of commissioning of such projects.”

(BY ORDER OF THE COMMISSION)

Dr.A.Srinivas
Commission Secretary (i/c)

05-01-2016
Hyderabad