KARNATAKA ELECTRICITY REGULATORY COMMISSION  
No. 16, C-1, Miller Tank Bed Area, Vasanthanagar, Bengaluru-560 052. 

Notification No. KERC-1-Con-2022-23/644, Bengaluru, dated 11.08.2022
Draft Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2022

PREAMBLE:
Government of India (GoI) has set an ambitious target of becoming carbon neutral nation by 2070. In order to become a carbon neutral nation, GoI has set a target to install RE capacity of 500GW by 2030. Thus, to promote and facilitate installation of RE, Ministry of Power (MoP), in exercise of the powers conferred by sub-section (1) read with clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 (Act 36 of 2003), has issued the Electricity (Promoting Renewable Energy

The Commission, in exercise of the power conferred under Section 86(1)(c) 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, makes the following draft Regulations, namely the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2022, duly considering the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 issued by the MoP. Further, in order to bring regulatory uniformity across the States, the banking facilities are proposed to be modified in accordance with the said Rules issued by the MoP.

In terms of Section 181(3) of EA,2003, the draft Regulations is hereby notified for information of all the persons likely to be affected and Notice is hereby given that the said draft will be taken into consideration for finalising the amendments, after 30 days from the date of publication in the Official Gazette. The stakeholders and interested persons may file their objections/suggestions/views on the proposed draft within 30 days from the date of publication to:

The Secretary,
Karnataka Electricity Regulatory Commission
No. 16, C-1, Millers Tank Bed Area, Vasantha Nagar,
Bengaluru, 560 052, Karnataka, India
E-mail : kerc-ka@nic.in Phone : 080 - 22268675/677

**DRAFT REGULATIONS**

1. **Short Title and commencement.**
   
   i. These Regulations shall be called the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) Regulations, 2022.

   ii. These Regulations shall come into force from the date of publication in the Official Gazette of Karnataka.

   iii. These Regulations shall be applicable for allowing Open Access to electricity generated from Renewable Energy Sources, for use of Intra-State Transmission System/s (InSTS) and/or distribution system/s of licensee/s in the State, including such Intra-State Transmission and/or distribution system/s, which are incidental to Inter-State Transmission of electricity.
2. Definitions

In these regulations, unless the context otherwise requires –


b. "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.

c. "Commission" means the Karnataka Electricity Regulatory Commission.

d. "Consumer" means any person who has contract demand or sanctioned load of 100 kW or more, (captive consumers shall not have any load limit) who is supplied with electricity from RE sources for his 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 renewable energy with the works of a licensee, the Government or such other person, as the case may be;

e. "Existing Consumer" means a person already availing open access for sourcing/supplying renewable energy to the transmission system and/or distribution system of a licensee in the State under an existing agreement or GoK policy on the date of coming into force of these Regulations.

f. "Forum of Regulators" means the Forum as referred to in sub-section (2) of section 166 of the Act.

g. "Renewable Energy" means the electrical energy from renewable sources of energy including hydro, pumped storage hydro generation, Energy Storage Systems using entire electricity generated from renewable energy for charging or any other technology 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;

h. "Installation" means the whole of electric wires, fittings, motors and apparatus installed and wired by or on behalf of the Consumer on one and the same premises starting from the point of commencement of supply.


j. "SLDC" means the State Load Dispatch Centre established under sub-section (1) of section 31 of the Act.

k. "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 person engaged in generation in accordance with the Regulations specified by the Appropriate Commission.
I. “Person” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;

m. “Premises” includes any land, building or structure;

n. "State Transmission Utility" means the Board or the Government company specified as such by the State Government under sub-section (1) of section 39 of the Act;

o. “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 Act;

Words and expressions used and not defined in these Regulations but defined in the Act or the KER Act, shall have the meanings assigned to them in the said Acts. In case of any inconsistency in words and expressions between the Act and the KER Act, the provisions of the Act shall prevail.

3. Criteria for allowing GEOA

i. The long-term GEOA shall be allowed in accordance with the transmission planning criteria and distribution planning code stipulated in the State Grid Code.

ii. The Short-Term/Medium Term open access shall be allowed, if the request can be accommodated, by utilizing
   a. Inherent design margins
   b. Margins available due to variation in power flows and
   c. Margins available due to in-built spare transmission system capacity and/or distribution system capacity created to cater to future load growth;

4. 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:

i. 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 consumer shall be eligible & re-eligible to obtain fresh reservation on filing of application after the expiry of his term and subject to availability. Such eligibility shall be on priority fixed on the basis of the date of application.

5. **Eligibility Criteria for applying GEOA**

   i. Subject to the provisions of these Regulations and system availability, consumers shall be eligible for open access to the intra-state transmission system of the State Transmission utility or any transmission licensee/s and distribution system/s of the distribution Licensee/s within the State.

   Provided that notwithstanding anything contained in these Regulations, any RE generating company having subsisting Power Purchase Agreement (PPA) with the Distribution Licensee, shall not be entitled to Open Access for the RE capacity, for which PPA is entered into, except in accordance with the terms of such PPA and also for such capacity (quantum of power) for which Open Access is already granted.

   Provided further that, such open access shall be available on payment of such charges as may be determined by the Commission from time to time.

   ii. Every person, who has constructed a captive generating plant shall have the right to open access as per the provisions of Section 9 of the Act.

   Provided that consumers (except captive consumers), who have contracted demand or sanctioned load of one hundred kW and above shall be eligible for Open Access for sourcing RE under these Regulations.

   Provided further that the consumer shall not change the quantum of RE power consumed through open access for twelve time blocks in a day, in order to avoid high variation in demand to be met by the distribution licensee.

6. **Nodal Agency**

   i. All the applications related to green energy open access shall be submitted to the portal set up by the Central Nodal Agency. The applications shall be routed to the State Nodal Agency (SNA) by the Central Nodal Agency.

   Provided that, till such time the procedures and formats are devised by Central Nodal Agency, the existing procedures/formats may be followed in the matter.

   ii. Karnataka State Load Despatch Centre shall operate as the SNA for grant of long term, medium-term and short term green energy open access.
iii. The SNA shall coordinate with transmission licensees including STU and the Distribution Licensees to make available all relevant information regarding green energy open access to the public on the portal of the Central Nodal Agency.

7. **Treatment for existing entities:**

   The existing consumer(s)/generators may continue to avail the RE under open access as per the existing agreements or government policy for the period specified in those agreements or policies, to the extent they are not inconsistent with the Act.

   Provided that the existing consumers/generators shall continue to pay the applicable charges as specified in their respective agreements, as may be determined by the Commission from time to time.

   Provided further that RE open access for the subsequent period in respect of such consumer/generator shall be governed by provisions of these Regulations.

   Provided also that if Open Access for any additional RE capacity is sought by such existing consumer(s)/generators in addition to the capacity already contracted under open access, shall be treated as new application for open access to the extent of additional capacity sought.

8. **Allotment priority**

   GEOA consumers shall have preference over normal Open Access consumers, excluding distribution licensees.

   Among the GEOA consumers, long-term GEOA consumers shall have preference followed by Medium term and subsequently short-term, at any given time, subject to availability of spare transmission/distribution system capacity margins.

   Provided that, the decision for allowing the open access shall be on the basis of first come first served.

9. **Procedure for grant of Green Energy Open Access.** –

   i. The GEOA applicant shall submit an application complete in all respects, in the format as specified by Central Nodal Agency, on the central portal set up by the Central Nodal Agency.

   ii. The application shall be forwarded to the concerned State Nodal Agency by the Central Nodal Agency for further verification. The following time schedules shall be followed for processing the Application:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Time-line</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Date on which application is received by SNA from Central Nodal Agency</td>
<td>Zero Date</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Acknowledgement of receipt of Application</td>
<td>Zero date.</td>
<td>The acknowledgement shall be provided immediately by electronic mode.</td>
</tr>
<tr>
<td>3</td>
<td>Acceptance of application by SNA after confirming that all the relevant documents are furnished by the applicant including processing fees and BG</td>
<td>Within three working days from zero date.</td>
<td>In case the application is incomplete, the SNA shall inform the same in writing rejecting the application and furnishing the details of the defects. After rectifying the defects, a fresh application shall be made.</td>
</tr>
<tr>
<td>4</td>
<td>Forwarding of application to KPTCL/concerned ESCOMs.</td>
<td>Within five working days from zero date</td>
<td>On acceptance of the application, the same shall be forwarded to KPTCL/concerned ESCOMs for ensuring the system availability and that there is no subsisting PPA for the capacity for which the OA is sought.</td>
</tr>
<tr>
<td>5</td>
<td>Concurrence from KPTCL/ESCOMs</td>
<td>Within ten working days from zero date</td>
<td>In case system strengthening is required, the probable date of granting OA shall be intimated to SNA within the same time. In case concurrence is not received within the specified time, SNA shall consider it to be deemed concurrence. Provided that the system studies at the drawl point to ascertain the availability is not required for a consumer of the licensee availing Open Access, subject to the applicant furnishing an undertaking that, he would not exceed the contract demand specified in his supply agreement with the licensee even after opting for Open Access.</td>
</tr>
<tr>
<td></td>
<td>Grant of Open Access or otherwise</td>
<td>Within twelve working days from zero date</td>
<td>The SNA shall intimate the applicant, the grant of OA within the time specified. In case OA is not granted, the same shall be intimated within the above time furnishing the reasons in writing and also the probable date from which the OA can be granted. In case, SNA fails to intimate the grant of OA or otherwise, within the above specified time, the same shall be deemed to have been granted, which is subject to system availability.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>7</td>
<td>Submission of agreement by the applicant for long term OA</td>
<td>Within twenty working days from zero date</td>
<td>The applicant shall submit copies of signed agreement to the SNA/parties to the agreement in the standard format approved by the Commission. The existing WBA as modified by the Commission for REC and non-REC route projects in accordance with these Regulations shall be adopted. In case the applicant fails to submit the WBA within the specified time, the Open Access granted is deemed to have been cancelled.</td>
</tr>
<tr>
<td>8</td>
<td>Submission of signed copies of agreement by KPTCL/concerned ESCOMs</td>
<td>Within twenty-five working days from zero date</td>
<td>In case KPTCL/ESCOMs fail to submit the signed copies to the SNA within the specified time, the WBA is deemed to have been approved (Banking allowed only in case of solar, wind and mini-hydrel projects).</td>
</tr>
<tr>
<td>9</td>
<td>Effective date for wheeling</td>
<td>In case the SNA receives the copy of the agreement signed by the applicant, the effective date for commencement of operation of wheeling of electricity by the applicant shall be the next date from the date of submission of signed copy of the agreement to the SNA. Provided that the above effective date for commencement of wheeling operation shall also be applicable for banking in case of solar, wind and Mini-hydrel plants.</td>
<td>The applicant is allowed to wheel the energy from the effective date.</td>
</tr>
</tbody>
</table>
iii. The State Nodal Agency shall ensure that non-refundable processing fee of five thousand rupees for long-term/medium-term open access and one thousand rupees for short-term open access is paid by applicant to the nodal agency and the nodal agency shall intimate the same through electronic mode of communication, immediately on receipt of the application form from Central Agency. The applicant shall pay the processing fees within one working day.

iv. An application for a short-term GEOA, for power plant(s) or its/their generating unit(s) which are yet to be commissioned, shall be made not before two months prior to the commissioning date of such power plant(s) or its/their generating unit(s), to avoid unnecessary blocking of corridor.

v. An application for long-term/medium-term GEOA shall be accompanied by a Bank Guarantee (BG) of ten thousand rupees per MW, which shall be kept valid and subsisting till the signing of agreement for wheeling of electricity and such BG shall be encashed by the Nodal Agency, if the application is withdrawn by the applicant prior to the signing of such agreement. On signing of the agreement for wheeling of electricity, the BG shall be returned immediately to the applicant by the State Nodal Agency. The BG shall be submitted within three working days from the date of intimation by the SNA.

vi. In case there is any material change with regards to the location of the injection point or quantum of power to be interchanged (by more than ten percent) using the intra-State transmission and or distribution system, a fresh application shall be made for the entire capacity to ascertain the system availability and such application shall be accompanied by relevant documents, application fees and in case of long term open access with required bank guarantee for the additional capacity and in case the additional capacity sought for cannot be accommodated in the existing network, the applicant is entitled for open access to the extent of his original allotment.

vii. Where any application is rejected for any deficiency or defect, the processing fees and Bank Guarantee, if submitted, shall be returned to the applicant and in such cases a fresh application to the Central Nodal portal shall be made by the applicant after curing the deficiency or defect.

viii. The State Nodal Agency shall communicate to the applicant through a recognized mode of communication, the grant of open access or otherwise.

ix. Further, during the pendency of application for grant of GEOA, the applicant shall not inject any energy to the licensee's network and the licensee shall not be liable to pay any charges for the energy injected during such period.
x. Any energy injected into the licensee’s network from the date of grant of open access till the date of submission of agreement for wheeling, the applicant shall be entitled for payment of energy charges at Average Pooled Power Purchase cost (APPC) rate or 75% of the Generic tariff determined by the Commission for the relevant year for the relevant RE source, whichever is lower.

xi. The person seeking open access shall execute the agreement for wheeling of electricity within the time specified above, failing which the open access granted or deemed to have been granted shall stand cancelled.

xii. The transmission Licensee/s, distribution licensee/s and the SLDC shall ensure proper coordination while arranging for open access.

xiii. New generating plant(s) or generating Unit(s) seeking long-term open access and entering into agreement for wheeling, shall commission such plant(s) or unit(s) within twelve months from the effective date, failing which the open access granted shall be deemed to have been cancelled, to avoid unnecessary blocking of the corridor.

xiv. An open access consumer shall enter into commercial agreements with generators, traders and others, as applicable, and such agreements shall include provisions pertaining to payment security mechanism.

xv. The State Nodal Agency shall host on its website the details of every application received from the Central Nodal Agency and the status of such application on a continuous basis, which shall be made available to the public.

xvi. Provided further that the State nodal Agency shall prepare formats in line with the procedure followed by Central Nodal Agency, for smooth implementation of the GEDO in the State.

10. **Procedure for applying for Day Ahead GEOA Transactions.**

    The applicant shall apply to the Central Portal for Day Ahead GEOA Transactions in the standard application format.

For the applications received by the SNA from the central agency, before 13.00 hrs of the day immediately preceding the day of scheduling for day-ahead GEOA transaction, the State Nodal Agency shall check for congestion in the system and convey grant of approval or otherwise to the applicant through e-mail or fax, not later than 15:00 Hours of the day immediately preceding the day
of scheduling for day-ahead transaction, after ensuring that there is no subsisting PPA for the capacity sought under OA.

Non-refundable processing fee of One Thousand rupees for each transaction shall be paid by the applicant, in cash or by way of a demand draft or proof of payment through electronic transfer in favour of the State Nodal Agency.

Provided that the actual operationalisation of open access shall be effected subject to payment by the applicant of the charges as specified in these Regulations and orders passed by the Commission from time to time, before 17:00 hours of the day immediately preceding the day of scheduling for day-ahead transaction.

Where open access is denied, the State Nodal Agency shall furnish reasons thereof to the applicant.

11. Non-Utilisation of open access service by Open Access Consumers

i. In the event of inability of the short-term open access consumer to utilize for more than four hours, full or substantial part of the capacity allocated to him, such a short-term open access consumer shall inform the respective SLDC of his inability to utilise the capacity, along with reasons therefore and may surrender the use of capacity allocated to him. However, such short-term consumer shall bear full transmission and/or wheeling charges based on the original reserved capacity and the period for which such capacity was reserved.

ii. A medium-term/long-term consumer shall not relinquish or transfer his rights and obligations specified in the open access agreement without prior approval of the nodal agency. The relinquishment or transfer of such rights and obligations by a long-term consumer shall be subject to payment of compensation, as per the terms of the open access agreement.

iii. The SLDC may cancel or reduce the capacity allocated to a short-term open access consumer to the extent it is underutilized, when such a short-term open access consumer under-utilizes the allocated capacity more than 2 times in a month with duration of underutilization exceeding 2 hours each time or fails to inform the distribution licensee of his inability to utilise the allocated capacity. Such cancellation shall be resorted to after giving due notice.

iv. The surplus capacity available as a result of its surrender by the short-term open access consumer under clause (1) above or reduction or cancellation of capacity by the SLDC under clause (3) above, may be allocated to any other short-term open access consumer in the order of pending applications based on the point of injection and drawal.
12. **Open Access Charges:**

The following charges shall be determined by the Commission considering the methodology specified by FoR, for Green OA:

a. Transmission Charges  

b. Wheeling Charges  

c. Cross subsidy charges  

d. Additional surcharge  

e. Banking Charges  

f. Standby charges, wherever applicable.

Till such time the methodology is finalized, the above charges shall be as determined by the Commission from to time.

In addition, the GEDC Consumer shall pay the monthly transaction charges of Rs. 3,000 (Rupees Three Thousand only) for maintaining the transaction details, to the State Nodal Agency and meter reading charges of one thousand Rupees to the concerned licensee(s) who carry out such meter reading.

13. **Banking**

Banking shall be permitted on a monthly basis on payment of applicable charges as determined by the Commission in separate Orders issued from time to time.

Provided that the credit for banked energy shall not be permitted to be carried forward to subsequent months and the credit of energy banked during the month shall be adjusted during the same month.

The payment for the banked energy remaining unutilised shall be as per the actual banked energy, limited to 30% of the consumption during the month from the licensee. The ESCOMs shall pay 75% of the generic tariff determined by the Commission for such RE source for such relevant period.

**Explanation:** The Rules have specified a limit of 30% for the banked energy. The Rules also specify that there is no carry forward from month to month. In such a case, the limit of 30% implies that it is for making payment by the licensee for the banked energy to avoid large quantum of energy being banked. Otherwise, the 30% limit would be defunct.
14. Curtailment Priority

In case due to transmission/distribution system constraints or otherwise, it is necessary to curtail the service, the following priority shall be followed:

a. the short-term open access consumer (other than GEOA consumer) shall be curtailed first followed by short-term GEOA consumers.

b. Next, medium-term OA consumer (other than GEOA consumer) followed by medium-term GEOA consumer shall be curtailed.

c. Next long-term OA consumer (other than GEOA consumer) followed by long-term GEOA consumer shall be curtailed.

Provided that within a category, the GEOA consumers shall have equal curtailment priority and shall be curtailed on pro-rata basis.

Provided further that distribution licensees shall be curtailed as last resort.

15. Dispute Resolution:

All disputes and complaints relating to GEOA shall be made to the SLDC, which may investigate and endeavour to resolve the grievance.

No application for open access shall be denied unless the applicant has been given an opportunity of being heard in the matter.

If the SLDC is unable to redress the grievance, Petition against the order of the State Nodal Agency, shall be filed before the State Commission, within a period of thirty days from the date of receipt of Order.

The Commission shall dispose of the matter within three months and orders of the Commission shall be binding.

16. Special Energy Meters

1. Tri-vector meters with Time of the Day (TOD) facility shall be installed by the GEOA Generators/consumers.

2. The meters shall be capable of time-differentiated measurements (15 minutes) of necessary parameters. These meters shall always be maintained in good condition and shall be open for inspection by any person authorized by the State nodal agency.

3. The meter shall include CTs, PTs and associated accessories and shall be tested and calibrated at least once in a year.
4. The meters shall be sealed by the distribution licensee in whose area the Generator/Consumer is situated.

5. In case the meter is provided by the transmission/distribution licensee, the open access consumer shall pay for its rent and also provide meter security deposit.

6. The meter shall be capable of communicating its reading to SLDC on real time basis.

7. The metering code prevailing in the State shall be applicable to the GEOA consumers also.

17. Energy losses

Energy losses of the transmission and distribution system shall be applicable to the GEOA consumers as specified by the Commission from time to time.


GEOA consumers shall abide by the State Grid Code, Distribution Code and all other Codes and Standards, DSM Regulations as applicable from time to time.

19. Collection and Disbursement of charges

The charges in respect of GEOA consumers shall be payable directly to the State Nodal agency in accordance with the terms and conditions of payment as specified by the State Nodal agency. SNA shall disburse the amount received to the appropriate licensees (Transmission charges to transmission licensee and distribution network charge to the appropriate distribution licensee).

Other GEOA charges, in case of more than one licensee is supplying in the same area, the licensee from whom the consumer was availing supply shall be paid the amounts so collected.

20. Information System:

1. SLDC shall post the following information in a separate web page titled “Green Energy Open Access Information” and also issue a monthly and annual report containing such information;

   a. A status report on long term consumers/medium-term/short term consumers;

   b. Floor rate for bidding in case of congestion

   c. Peak load flows on EHV and HV lines

   d. Information regarding average loss in the transmission system and distribution system as determined by the licensee/s on a monthly basis.
2. The information shall be updated upon every change in status.
3. All previous reports shall be available in the web-archives.
4. The SLDC shall host the above information on its website within one month from the date of notification of these Regulations.

21. Reports
The transmission/distribution licensee shall submit a report to the Commission or as often requested by the Commission the information in the following format:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name and address of the open access/wheeling consumer</th>
<th>Point of injection</th>
<th>Point of withdrawal</th>
<th>Capacity allowed (MW)</th>
<th>Period of open access allowed</th>
<th>Actual annual utilization of energy in MU</th>
</tr>
</thead>
</table>

22. Communication facility
GEOA consumer shall have the requisite communication systems in place to facilitate seamless communication of data/orders/information to/from the State Nodal Agency.

23. Issue of orders and practice directions
Subject to the provisions of the Electricity Act, 2003 and these Regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of the Regulations and procedures to be followed.

24. Power to remove difficulties
In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the GEOA consumers, generators and the licensees to take suitable action, not being inconsistent with the provisions of Electricity Act, 2003, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.
The GEOA consumers/licensees may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

25. Power to amend:
The Commission may from time to time add, vary, alter, modify or amend any provisions of these Regulations after following the necessary procedures.
26. **Interpretation:**

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

Approved by the Commission

Secretary

for Karnataka Electricity Regulatory Commission