

Draft

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

First Amendment to APERC RENEWABLE POWER PURCHASE OBLIGATION (COMPLIANCE BY PURCHASE OF RENEWABLE ENERGY / RENEWABLE ENERGY CERTIFICATES) REGULATIONS, 2022.

Regulation 6 of 2023

Introduction:

APERC issued the Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2022 inter alia specifying Renewable Power Purchase Obligation (RPPO) percentages for obligated entities and the sources of procurement of Renewable Energy for meeting their RPPO. Subsequently, the Government of India issued Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 in June 2022 wherein it has inter alia specified the distribution licensees as one of the sources for procurement of Renewable Energy by obligated/non-obligated entities at the Green Tariff determined by the SERCs. The Ministry of Power, GoI by its letter dated 13.05.23 to SERCs, suggested that the Green Tariff in no case should be higher than the Average Power Purchase Cost of RE + Surcharge @20 % of ACoS + (say) a reasonable margin of 25 paise. The Commission called for views of the DISCOMS on the Green Tariff suggested by MoP, GoI. The Commission having examined the Rules issued by GoI, and in exercise of its statutory powers under the Electricity Act, 2003 decides to permit the obligated/non-obligated entities to procure the renewable energy from the distribution licensees, fix the Green Tariff for such renewable energy procurement by obligated/non obligated entities without necessity to change their category to a separate existing category “ **Green Power** “, and issue modalities. As the DISCOMS have surplus renewable energy over and above their RPPO as per the RST Order for FY 2023-24 and for balancing the interest of all the Stakeholders, in exercise of the powers conferred under sections 61(h), 66, 86(1)(e), and 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the amendment to APERC Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/ Renewable Energy Certificates) Regulations, 2022 as under:

1. Short title and commencement:

(i) This Regulation may be called the First Amendment to APERC Renewable Power Purchase Obligation (Compliance by purchase of Renewable Energy/ Renewable Energy Certificates) Regulations, 2022.

(i) This Regulation shall come into force with effect from the date of its publication in the official Gazette.

(iii) This Regulation shall apply to whole of the State of Andhra Pradesh.

2. Insertion of new proviso after first proviso of sub-clause 3.2 of clause 3 of the principal regulation as below:

Provided that the purchase of Renewable Energy by the Open Access Consumer from the Distribution Licensee as per the procedure stipulated in clause 3.4 of this regulation shall also be counted towards the fulfilment of RPPO by such an Open Access Consumer;

3. Insertion of new proviso after first proviso of sub-clause 3.3 of clause 3 of the principal regulation as below:

Provided that the purchase of Renewable Energy by the captive consumer from the Distribution Licensee as per the procedure stipulated in clause 3.4 of this regulation shall also be counted towards the fulfilment of RPPO by such a captive Consumer;

4. Insertion of new sub-clause after sub-clause 3.3 of clause 3 of the principal regulation as below:

3.4 Renewable Energy procurement from Distribution Licensee by obligated entities/non-obligated entities at Green Tariff without need to change of category.

The obligated/non-obligated entities may purchase Renewable Energy from the Distribution Licensee in the following manner:

- i. Any entity may elect to purchase Renewable Energy either up to a certain percentage of the consumption or its entire consumption and accordingly, they shall place a requisition for this with their distribution licensee, three months before the date of the commencement of the financial year during which the entities intended to procure from FY 2024-25. For the balance period of FY 2023-24, the entities may place a requisition with their distribution licensee within one month from the date of this regulation

coming in to force. Then, the distribution licensee shall procure such quantity of Renewable Energy and supply it to the entities concerned..

- ii. The obligated entities may purchase on a voluntary basis, more renewable energy than their obligation and up to a hundred percent. The percentage of renewable energy requisite by obligated/non-obligated entities from the distribution licensees shall not be less than RPO specified by the Government of India/APERC for the obligated entities whichever is higher for that financial year.
- iii. The Green Tariff for the Renewable Energy supplied by the distribution licensee for FY 2023-24 shall be 75 paise over and above the normally applicable tariff for respective entities as per the RST Order for FY 2023-24 issued by the Commission. This tariff for future years will be as per RST Orders to be issued by the Commission. The energy consumed at 75 paise over and above the normally applicable tariff out of the total energy consumed by the entities from the distribution licensees shall be treated as the Renewable Energy supplied by the distribution licensee during that billing month. The Distribution Licensee shall issue the monthly digital certificate (physical certificate on specific request) to such consumers certifying the quantity of Renewable Energy out of the total consumption.
- iv. All electricity consumers in the State have the option to source 100% Renewable Energy power by additionally paying above stated Green Tariff at their respective categories without to opt a separate category “ Green Power” that is already in place as per RST Order approved by the Commission.
- v. Any requisition for Renewable Energy from a distribution licensee shall be for a minimum period of one year from FY 2024-25 and a balance period for FY 2023-24 and accordingly, month-wise energy shall be specified.
- vi. The Renewable Energy purchased from the distribution licensee in excess of the Renewable Purchase Obligation of an obligated entity and 100 percent of energy procured by the non-obligated entities shall be counted towards Renewable Purchase Obligation compliance of the distribution licensee;
- vii. The revenue earned by the distribution licensee from the sale of renewable energy to entities/consumers under the Green Tariff shall be considered as

revenue from the sale of power. The Distribution Licensee shall separately maintain tariff category and sub-category wise accounting of no. of consumers, connected load, sale, and revenue from sale under the Green Tariff for consumers and the same shall be shown separately by the distribution licensees at the time of ARR filings, and truing up.

- viii. The distribution licensee shall give a green stars certificate on a yearly basis to the entities for the green energy supplied by it for Renewable Energy beyond the renewable purchase obligation (RPO) for obligated entities notified by the government of India/APERC whichever is higher. The entities/consumers shall be given Green Stars Rating based on Renewable Energy procurement during the financial year as below:
- 100 percent of consumption: 5 Green Stars
 - 75 percent of consumption: 4 Green Stars
 - 50 percent of consumption : 3 Green Stars

Accordingly, the distribution licensee shall issue a “**Green Stars Certificate**” to all the eligible entities within three months after the completion of that financial year. The certificate format shall be as approved by the Commission. Such green stars shall be also indicated in their monthly bills based on the month wise requisitions for renewable energy and total consumption of the month as per the percentages indicated above.

- ix. Non-obligated entities of any category including the domestic consumers at any voltage level may opt to procure the Renewable Energy as per the procedure stated above.
- x. The Distribution licensees shall give wide publicity at regular intervals during the year about the availability of RE power through newspapers/ media/interaction meetings with the industrial consumers based on their Renewable Power procurement status.
- xi. The Commission will undertake a review of the Green Tariff, the above modalities during Retail Supply Tariff proceedings from time to time.

(BY ORDER OF THE COMMISSION)

Hyderabad

05-06-2023

Commission Secretary (I/C)