



Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022

The Ministry of Power, Government of India (**MOP**) on June 06, 2022 notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 (**REOA Rules or Rules**). The REOA Rules will be applicable for generation, purchase and consumption of green energy as defined therein, including the energy from Waste-to-Energy plants.

Key features of the Rules

- **Renewable Purchase Obligation (RPO)**
 - The REOA Rules have introduced a uniform renewable purchase obligation on all obligated entities in area of a distribution licensee. Any entity may opt to generate, purchase, and consume renewable energy as per its requirements by one or more of the following methods:
 - There is no capacity limit for installing power plants from renewable energy sources by entities for their consumption. Such projects may be set up at any location in India and power shall be transmitted using open access.
 - Renewable energy can be procured through open access from any developer either directly or through a trading licensee or power markets.
 - Any entity may purchase green energy either up to a certain percentage of the consumption or its total consumption. The entity may place a requisition for this with its distribution licensee, which shall procure such quantity of green energy and supply it.
 - The consumer will have the flexibility to give separate requisitions for solar and non-solar. Any requisition for green energy from a distribution licensee will be for a minimum period of one year.
 - Consumers except captive consumers will be eligible for green energy open access if they have a contracted demand or sanctioned load of 100 kW or more.
 - The green energy purchased from the distribution licensee or renewable energy sources other than the distribution licensee above the RPO target of the obligated entity will be counted towards the RPO compliance of the distribution licensee.
 - The obligated entity can also meet its RPO by consuming green energy from captive power projects or purchasing green hydrogen or green ammonia.
- **Nodal agency and applications for green energy open access**
 - All applications for open access to green energy will be allowed by the nodal agency within fifteen days.
 - Reasonable conditions such as the minimum number of time blocks, which should not be more than twelve-time blocks, for which the consumer shall not change the quantum of power consumed through open access may be imposed so as to avoid high variation in demand to be met by the distribution licensee.

HSA **Viewpoint**

The REOA Rules stipulate that consumer with contracted demand or sanctioned load of 100 kW or more can avail open access. Prior to the promulgation of the RE OA Rules, this limit was of 1 MW across all the states. Further, by virtue of the RE OA Rules, such limit does not apply to captive consumers. The REOA Rules also provide waiver from payment of CSS and AS if power is produced from waste-to-energy plants and supplied to open access, and if green energy is utilized to produce green hydrogen and green ammonia. Such measures will draw a greater consumer base towards availing green energy open access, with more and more consumers opting to avail open access.

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- The REOA Rules stipulate that a nodal agency will be appointed by the Central Government to set up and operate a single window green energy open access system for renewable energy. The Central Nodal agency shall set up a centralized registry for all Green Energy Open Access consumers and all the applications related to green energy open access shall be submitted on the portal set up by the said the Central Nodal Agency and these applications shall get routed to the concerned nodal agency notified by the Appropriate Commission for grant of green energy open access.
- The Appropriate Commission shall notify the appropriate load dispatch center as the nodal agency for grant of green energy open access for short term, to be defined by the Appropriate Commission, and the State or Central Transmission Utility, as the case may be.
- The appropriate commission will notify the appropriate load dispatch center as the nodal agency for grant of green energy open access for the short term, and the State or Central transmission utility as the nodal agency for grant of green energy open access for medium and long term.
- **Banking**
 - Banking will be permitted at least every month on payment of charges to compensate additional costs to the distribution licensee, and the appropriate commission will determine the applicable charges.
 - The permitted quantum of banked energy by the green energy open access consumers will be at least 30% of the total monthly electricity consumption from the distribution licensee.
- **Charges to be levied for open access**
 - The cross-subsidy surcharge (**CSS**) for the open access consumer purchasing green energy will not be increased by more than 50% of the surcharge determined for the year in which open access has been granted for twelve years from the operation of the generating plant.
 - If power produced from a waste-to-energy plant is supplied to the open access consumer, the CSS and additional surcharge (**AS**) will not apply. CSS and AS will not be applicable if green energy is utilized to produce green hydrogen and green ammonia.
 - The distribution licensee would give green certificates on a yearly basis to the consumers for the green energy on a request beyond the renewable purchase obligation.
 - The appropriate commission may introduce the concept of rating the consumer of the distribution licensee based on the percentage of green energy purchased.
- **Procedure for grant of open access**
 - Within 60 days of commencement of the REOA Rules, the nodal agency should prepare a common application format for the green energy open access in consultation with the Forum of Regulators.
 - The concerned nodal agency will approve the applications within 15 days, failing which it will be deemed to have been approved subject to the fulfilment of the technical requirements as specified by the appropriate commission.
 - Short-term and medium-term open access will be allowed if sufficient spare capacity is available in the transmission system without any augmentation. In contrast, the transmission system may be augmented if required for long-term open access.

The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 were notified by the Ministry of Power, Government of India (**MOP**) on June 06, 2022. These will be applicable for generation, purchase and consumption of green energy, including the energy from Waste-to-Energy plants. In this note, our Partner Molshree Bhatnagar and Senior Associate Parichita Chowdhury from HSA's Regulatory & Policy practice analyze some of the key aspects of these rules.

