



Chhattisgarh State Electricity Regulatory Commission
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Petition No. 38 of 2020

In the matter of

Petition u/s 86(1)(e), Section 61(h) and Section 66 of the Electricity Act, 2003 read with Regulations 44, 45 and 50 of the CSERC (Conduct of Business) Regulations, 2009 and Regulations 26 of the CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019 seeking standard wheeling and banking agreements.

M/s Solbridge Energy Private Limited

... Petitioner

Vs

Chhattisgarh State Power Distribution Co. Ltd. & Others

...Respondents

PRESENT : **D. S. Misra, Chairperson**
: **Arun Kumar Sharma, Member**
: **Vinod Deshmukh, Member (Judicial)**

ORDER

(Passed on July 06, 2020)

The petition has been filed by M/s Solbridge Energy Pvt. Ltd. (the petitioner) u/s 86(1)(e) of the Electricity Act, 2003, seeking a pre-approved standard wheeling and banking agreement and procedure for time bound execution of wheeling and banking agreement for effective implementation of regulation 21 of the CSERC (Grid Interactive Distributed Renewable Energy Sources) Regulations, 2019.

2. Facts of the case in brief:

The petitioner, a solar power generator, is setting up a 48 MW ground-mounted solar power project in Chhattisgarh for supplying solar power to 3

companies namely, ACC Ltd., Ambuja Cements Ltd., and Bilaspur Mining Pvt. Ltd. under open access with the provision to bank any excess power with the distribution licensee i.e. CSPDCL (respondent). For this purpose, the petitioner has entered into three separate power purchase agreements with these companies. The petitioners' contention is that the details and modalities of wheeling and banking have not been prescribed in the regulations. Accordingly, the petitioner requests that a standard / model wheeling and banking agreement may be prescribed by the Commission, in line with other States like Karnataka, Uttar Pradesh, Haryana etc. The agreement should prescribe (i) charges payable to the utilities for banking, (ii) terms and conditions for wheeling and banking for both the parties, and (iii) dispute resolution mechanism.

3. Heard the parties.

The counsel for the petitioner submits that they are an investor in the field of setting up of solar power plants and are seeking clarity on certain matters relating to wheeling and banking of solar power covered under the DRE regulations. The petitioner further submits that a standard wheeling and banking agreement would facilitate effective implementation of the regulations. The counsel for the petitioner drew attention of the Commission to the action taken by State Commissions of Karnataka, Uttar Pradesh and Haryana which have come up with such provisions.

The counsel for the respondent argued that as per the regulations the petitioner has to enter into an agreement with the CSPDCL and the agreement would take care of these aspects. However, the petitioner is yet to approach the CSPDCL for open access and banking agreements. Therefore, the petition is pre-mature. The counsel also submits that in case of Karnataka, the Commission has prescribed the modalities by way of separate order as their regulations do not cover the same. In case of Uttar Pradesh and Haryana, the regulations specify that standard agreements shall be prescribed separately. Therefore, the petitioner should be advised to approach the respondent CSPDCL in this regard.

In reply, the counsel for the petitioner submitted that they are a generator and they will come to the distribution licensee only when they have to supply power through open access. So far, they have not applied for open access.

4. Commission's view:

We have considered the arguments of both the parties and perused the records. We have also gone through the relevant regulations of the State Commissions of Karnataka, Uttar Pradesh and Haryana. The DRE regulations, 2019 were notified with the objective of encouraging investment in generation of renewable energy in the State. The objects and reasons of the regulations read as follows:

"Govt. of India is giving thrust to develop renewable source of energy being environment friendly in nature. Also the Electricity Act 2003 provides for policy formulation by the Central Government and mandates State Electricity Regulatory Commissions (SERCs) to take steps to promote renewable sources of energy within their area of jurisdiction.

In 2014, the Government of India (GoI) set an ambitious target to achieve 40 GW of cumulative installed capacity from Grid-Connected Rooftop Photovoltaic (GRPV) systems by 2022. In order to achieve this ambitious target, a strategic combination of Top- Down impetus and Bottom-Up execution approach were initiated, in which GoI, in partnership with the State Governments and Regulators, adopted a number of measures to promote the rooftop solar sector."

As far as the provisions regarding banking of renewable energy is concerned, we are of the view that there is need for greater regulatory clarity with regard to wheeling and banking, so as to attract investment in this sector and to ensure faster implementation of the projects. For example, although as per provisions of the DRE regulations, banking is permitted for the entire life of the project, existing regulations need clarifications on the following issues like:

- (i) Mechanism for settlement of banked energy at the time of withdrawal of energy from Licensee; *modus-operandi* for banking transactions;
- (ii) Mechanism for settlement of banked energy, if the user is having multiple sources of electrical energy supply such as open access, conventional captive generation and contract demand from licensee etc.;
- (iii) Issues relating to wheeling of power to destination of use such as waiver of cross subsidy surcharge (CSS), transmission and wheeling charges for entire life of the Solar projects;

Therefore, for effective implementation of the provisions in the regulations regarding wheeling and banking of renewable energy, the Commission, in exercise of powers conferred under regulation 29 of the DRE Regulations 2019, needs to specify the detailed modalities for the same.

In this regard, a suo motu petition needs to be registered. Engineering section is directed to prepare draft note for the suo motu petition and initiate regulatory process for stakeholder consultation.

The petition is disposed accordingly.

**Sd/-
(Vinod Deshmukh)
Member (Judicial)**

**Sd/-
(Arun Kumar Sharma)
Member**

**Sd/-
(D. S. Misra)
Chairperson**

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