

Indian Renewable Energy Sector

Green Energy Open Access rules, a positive for RE adoption by C&I customers; timely implementation by SERCs remains critical

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The Green Energy Open Access rules are expected to improve the adoption of RE power by C&I customers and are a positive for RE developers

Nonetheless, the timely implementation of these rules by SERCs across states remains to be seen



The Ministry of Power (MoP), Government of India notified the Green Energy Open Access rules on June 06, 2022. As per the regulations, consumers who have a sanctioned load of 100 kW and above are eligible to apply for procuring renewable energy (RE) through open access against the current load of 1000 kW.



The regulation imposes a cap on cross subsidy surcharges (CSS), which shall not be increased by more than 50% during 12 years of operations and exempt such RE projects from additional surcharge. Further, the rules state that banking shall be permitted at least on a monthly basis with permitted quantum of banked energy of at least 30% of the total monthly consumption of electricity.



The application for open access shall be submitted on a portal set up as a single window for green energy open access by a Central Nodal Agency. The applications need to be approved within 15 days, beyond which, it shall be deemed to be approved based on the fulfilment of technical requirements. Long-term open access and open access to non-fossil fuel sources would be prioritised.



These rules are positives for the RE developers and commercial & industrial (C&I) consumers, given the reduction in minimum sanctioned load for open access, a common methodology for computing open access charges, a provision for banking and exemption from additional surcharge. The policy move along with highly competitive tariffs would support the growth of RE capacity under the open access route.



The exclusion of additional surcharge improves the viability for RE developers selling power through the third party sale route under open access. The improvement is significant in the states of Maharashtra, Rajasthan, Tamil Nadu and Telangana, given the high prevailing additional surcharge in these states.



As power is a concurrent subject, timely implementation of these rules across the states by the respective commissions and distribution utilities remains to be seen. Regulatory risks such as obtaining open access approvals and uniformity in open access charges, remains as the key challenge for open access projects.