

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. KERC-2-TR-2024-25/1335 Date: 16.01.2025

Draft Karnataka Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2025

PREAMBLE

The Commission, in exercise of the powers conferred under 39(2)(d), 40(c), 42(2, 3), 86(1)(c) of the Electricity Act, 2003 read with Section 181 of the Act, has notified the Karnataka Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004, which is amended from time to time. The Commission had also notified the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) Regulations, 2022 in line with the 'Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules 2022' issued by the MoP, which was published in the State Gazette on 19.01.2023. The Commission has also issued the draft of the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) (First Amendment) Regulations, 2024 which is notified in the State Gazette on 19.12.2024.

The validity of the 'Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules 2022' framed by the Central Government and the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) Regulations, 2022 framed by KERC, were challenged in Writ Petition Nos. 11235/2024, C/W WP No. 22770/2023, 23729/2023 and others before the Hon'ble High Court of Karnataka. The Hon'ble High Court has struck down the 'Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules 2022' framed by the Central Government and also the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) Regulations, 2022. As such the draft of the Karnataka Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access(GEOA)) (First Amendment) Regulations, 2024, is withdrawn.

The Hon'ble High Court of Karnataka has passed Orders in the matter on 20.12.2024 and has concluded as follows:

“IX. Conclusion:

200. In the result, I **allow these** writ petitions **in part**, and hold and direct as follows:

- (i) *The impugned Rules as well as the Regulations framed by the Central Government and the KERC are **struck down**.*
- (ii) *The KERC is directed to frame appropriate Regulations if it so desires in the matter of granting of open access to green energy generators and consumers.*
- (iii) *During this exercise, the Commission will only be guided by the National Electricity Policy and the Tariff Policy framed by the Central Government, and shall independently consider the interests of all the stakeholders before framing the Regulations.*
- (iv) *This direction will, however, not mean that the KERC will have to necessarily frame fresh Regulations and if it so desires, it can continue with the 2004 Regulations.*

201. Taking cognizance of the fact that the order would leave a vacuum till the Regulations are framed by the independently as observed above, an interim arrangement would therefore have to be made to ensure that the wheeling and banking facilities availed hitherto by the petitioners are facilitated.

202. This Court had granted an interim order permitting the petitioners to pay 50% of the transmission charges determined by the KERC vide its order dated 08.06.2023. In its view, interest of justice would be met if the petitioners are directed to pay 50% of the transmission charges as per the interim order dated 05.07.2024 passed in these writ petitions.

203. The petitioners, under the orders of the KERC pursuant to which they had entered into Wheeling and Banking Agreements, were also required to pay wheeling charges at 5% till the KERC frames regulations for open access to the green energy generators pending framing regulations. The petitioners shall continue to pay wheeling charges at 5%.

204. The petitioners were also permitted to bank their energy annually, subject to payment of 2% under the Wheeling and Banking Agreement. However, by virtue

of the Regulations which have now been invalidated, they were required to pay 8%.

205. Since these regulations have been struck down and liberty is given to the KERC to frame regulations for grant of open access to green energy generators and consumers, the petitioners shall be permitted to avail banking facility subject to payment of 4%.

206. The petitioners had the benefit of annual banking facility from 2014 in the standard Wheeling and Banking Agreement. Since the Wheeling and Banking Agreements have expired, they obviously would not have a contractual right to demand annual banking facility. Till the KERC frames regulations regarding banking as aforesaid, the petitioners shall be entitled to a monthly banking facility."

In view of the above decision and keeping in view, the National Electricity Policy and the Tariff Policy issued by the Government of India and also considering the latest developments in the sector including large scale integration of renewable sources to the grid, the Commission proposes to notify Open Access (OA) Regulations afresh, repealing the earlier Regulations. The Commission, in exercise of the powers conferred under 39(2)(d), 40(c), 42(2, 3), 86(1)(c) of the Electricity Act, 2003 read with Section 181 of the Act, hereby notifies the Draft Karnataka Electricity Regulatory Commission (Terms and Conditions for Open Access(OA)) Regulations, 2025, for information of all the persons likely to be affected and notice is hereby given that, the said draft will be taken into consideration **after 30 days** from the date of its 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, Vasanthanagara,
Bengaluru, 560052, Karnataka, India

The Commission also decides to hold a **Public hearing in the above matter on 25.02.2025 at 3.00 pm.**

Short Title and commencement. –

- i. These Regulations shall be called the Karnataka Electricity Regulatory Commission (Terms and Conditions for Open Access (OA)) Regulations, 2025.
- ii. These Regulations shall come into force from the date of publication in the Official Gazette of Karnataka.
- iii. These Regulations shall be applicable to all Open Access customers including Green Energy Open Access customers who have filed applications before the State Nodal agency from 13.01.2023 in case of STOA (Short Term Open Access) and from 02.01.2023 in case of LTOA (Long Term Open Access) & MTOA (Medium Term Open Access) 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.

1. Definitions

In these regulations, unless the context otherwise requires –

- a. "Act" means the Electricity Act, 2003 (36 of 2003)
- b. "Banking" means the facility by which electrical energy remaining unutilized by the OA Consumer or Captive Consumer sourcing power from wind, solar, mini-hydel or hybrid of the above, out of the energy injected by the Generating Company into the transmission and/or distribution system of Corporation/ESCOM/s, which is allowed to be utilized for wheeling to such consumers for later use, as per the terms and conditions set forth in WBA.
- c. "Commission" means the Karnataka Electricity Regulatory Commission.
- d. "Consumer" means any person who is supplied with electricity for his own use by a licensee or Captive Power Plant (CPP) or the Government or by any other person engaged in the business of supplying electricity to the public including captive, 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 electricity with the works of a licensee, the Government or such other person, as the case may be;

- e. "Existing Open Access Consumer" means a person already availing open access 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. "Renewable Sources (RE) of Energy/ Green energy" means such sources that produce/generate electrical energy from renewable sources of energy including, but not limited to Solar PV Power Project or Wind Power Project or Hybrid Power Project or Small Hydro Power Project or biomass, biofuel, urban or municipal waste, 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;
- g. "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.
- h. "KER Act" means Karnataka Electricity Reform Act, 1999.
- i. "SLDC" means the State Load Dispatch Centre established under sub-section (1) of section 31 of the Act.
- j. "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.
- k. "Open Access Consumer" means any person who has:
 - (i) contract demand of 100kW and above for High Tension (HT) or
 - (ii) sanctioned load of 100 kW and above for Low Tension (LT), either through single connection or through multiple connections for LT aggregating to one hundred kW or more located in the same electricity division of a distribution licensee, (captive consumers shall not have any load limit)and

who is supplied with electricity for his own use by a licensee or CPP or the Government or by any other person engaged in the business of supplying electricity to the public including captive, 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;

- l. Open Access Customer means an Open Access consumer permitted by the Commission to receive supply of electricity from a person other than distribution licensee of his area of supply, and the expression includes a generating company and licensee, who has availed of or intends to avail of open access.
- m. "Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- n. "Premises" includes any land, building or structure;
- o. "Standby charges" means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumers are unable to procure power from the generating sources with whom they have the agreements to procure power due to outages of generator, transmission assets and the like.
- p. "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;
- q. "System Constraint" means a situation in which there is a need to prepare and activate a remedial action in order to restore operational security limits.
- r. "Wheeling" means the operation whereby the distribution system and associated facilities of a STU or 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.

2. Criteria for allowing Open Access:

- i. The long-term open access shall be allowed in accordance with the transmission planning criteria and distribution planning code stipulated in the State Grid Code / Distribution 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;

3. Categorization of Open Access Customer:

The open access customer 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 OA customer - persons availing or intending to avail the open access for a period equal to or more than five years.
- ii. Medium-term OA customer - persons availing or intending to avail the open access for a period more than one year and less than 5 years.
- iii. Short-term OA customer - persons availing or intending to avail the open access for a period of one year or less.

Provided that the short –term OA customer 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.

4. Eligibility Criteria for applying for Open Access

- i. Subject to the provisions of these Regulations and system availability, OA customer 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 generating company having subsisting Power Purchase Agreement (PPA) with the Distribution Licensee, shall not be entitled to Open Access for the 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

- a. contract demand of 100kW and above for HT
- or
- b. sanctioned load of 100 kW and above for LT, either through single connection or through multiple connections aggregating to one hundred kW or more located in the same electricity division of a distribution licensee

shall be eligible for Open Access for sourcing electricity under these Regulations.

5. Nodal Agency

- i. Karnataka State Load Despatch Centre shall operate as the SNA for grant of long term, medium-term and short term open access.
- ii. All the applications related to open access shall be submitted to the portal set up by the State Nodal Agency in the prescribed formats.
- iii. The SNA shall coordinate with transmission licensees including STU and the Distribution Licensees to ensure granting of open access within the time frame specified in these Regulations and also to make available all

relevant information regarding open access to the public on the portal of State Nodal Agency.

6. Treatment for existing entities:

The existing consumer(s)/generators may continue to avail the 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/Regulations.

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, open access for the subsequent period in respect of such consumer/generator shall be governed by provisions of these Regulations, including any renewal after the completion of initial period of existing WBA.

Provided also that, if Open Access for any additional 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.

7. Allotment priority

The priority for allowing open access shall be decided on the following criteria:

- (a) Distribution licensee for long-term
- (b) OA customers for long-term
- (c) Distribution licensee for medium-term
- (d) OA customers for medium-term
- (e) Distribution licensee for short-term
- (f) OA customers for short-term

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

8. Procedure for grant of Open Access. –

- i. The Open access applicant shall submit an application complete in all respects, to the State Nodal Agency(SNA) in the format prescribed by the SNA on the State portal.
- ii. The following time schedules shall be adhered to, for processing the long-term, medium-term and short-term open access Application:

| Sl. No. | Particulars | Time-line | Remarks |
|---------|---|--|---|
| 1 | Date on which application is received by SNA | Zero Date | |
| 2 | Acknowledgement of receipt of Application | Zero date. | The acknowledgement shall be provided immediately by electronic mode. |
| 3 | Acceptance of application by SNA after confirming that all the relevant documents are furnished by the applicant including processing fees and BG | Within three (03) working days from zero date. | 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. |
| 4 | Forwarding of application to the STU or the transmission licensee/concerned Distribution licensee. | Within five (05) working days from zero date | On acceptance of the application, the same shall be forwarded to the STU or the transmission licensee/ concerned Distribution licensee for ensuring the system availability and that the generators are not having any subsisting PPA for the capacity for which the OA is sought, except in accordance with the terms of such PPA. |
| 5 | Concurrence from the STU or the transmission licensee/Distribution licensee | Within ten (10) working days from zero date | 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 drawal point to |

| | | | |
|---|--|---|--|
| | | | <p>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.</p> <p>Provided further that the system studies at the injection point to ascertain the availability is not required for an existing generator who was already injecting power into the licensee(s) network under PPA or otherwise, subject to the condition that there is no additional injection beyond the capacity that was being injected earlier.</p> |
| 6 | Grant of Open Access or otherwise | Within fifteen (15) working days from zero date | <p>The SNA shall intimate the applicant, the grant of OA within the time specified.</p> <p>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.</p> <p>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.</p> |
| 7 | Submission of agreement by the applicant for long term/medium term/short term OA | Within twenty (20) working days from zero date | <p>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.</p> <p>In case the applicant fails to submit the WBA within the specified time, the Open</p> |

| | | | |
|---|--|---|---|
| | | | Access granted is deemed to have been cancelled. |
| 8 | Submission of signed copies of agreement by the STU or the transmission licensee/concerned Distribution licensee | Within twenty-five (25) working days from zero date | In case STU or the transmission licensee/Distribution licensee 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, mini-hydel projects and hybrid of these sources). |
| 9 | Effective date for wheeling | 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, Mini-hydel plants and hybrid of these sources. | The applicant is allowed to wheel the energy from the effective date. |

- 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. The applicant shall pay the processing fees within one working day.
- iv. An application for a short-term open access, 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 OA shall be accompanied by a Bank Guarantee (BG)/ Letter of Credit (LC) 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/LC 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/LC shall be returned immediately to the applicant by the State Nodal Agency. The BG/LC 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/medium 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 BG/LC, if submitted, shall be returned to the applicant excluding GST and in such cases a fresh application to SNA through State 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 OA, 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 as determined by the Commission for the relevant year for the relevant RE source, whichever is lower.

- xi. The person seeking open access shall digitally 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 STU or 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/medium term open access and entering into agreement for wheeling, shall commission such plant(s) or unit(s) within twelve (12) 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. All the information related to approvals, rejections, revisions, curtailment, etc. shall be made available to the applicant through the web-based portal for Open Access hosted by the State Nodal Agency.
- xv. Provided further that the State nodal Agency shall prepare formats in line with these Regulations, for smooth implementation of OA in the State.
- xvi. The Nodal Agency shall prepare the modified standard agreement formats for wheeling and banking (banking as applicable) of electricity within fifteen (15) days from the date of notification of these Regulations, if required and obtain due approval of the Commission and make the standard agreement formats available to the public and shall host the agreement formats on the website of the Nodal Agency. In case, no modification is required, the existing approved format of the WBA shall be continued.
- xvii. State Transmission Utility (STU) or Distribution Licensee(s) shall conduct System Studies annually or as often as required or as directed by the Commission and the System data including the available additional loading capacity of lines shall be updated on a continuous basis and shall be made available to the public and such data shall also be hosted on the licensees(s)'s website.

Provided that where any person makes a request for such studies, the STU/Distribution licensee shall carry out the system studies by collecting reasonable charges and such studies shall be completed within ninety

days from the date of receipt of charges towards the studies and a detailed report in writing shall be provided to such person.

9. Procedure for applying for Day Ahead OA Transactions. -

- i. The applicant shall apply to the State Portal for Day Ahead OA Transactions in the standard application format.
- ii. For the applications received by the SNA, before 13.00 hrs of the day immediately preceding the day of scheduling for day-ahead OA 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.
- iii. 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.

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

10. Non-Utilization of open access service by Open Access Customers:

- i. In the event of inability of the short-term open access customer to utilize for more than four (04) hours, full or substantial part of the capacity allocated to him, such a short-term open access customer shall inform the respective SLDC of his inability to utilise the capacity, along with reasons therefor and may surrender the capacity allocated to him. However, such short-term

customer 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 long-term/medium-term customer shall not relinquish or transfer his rights and obligations specified in the open access agreement without prior approval of the State nodal agency. The relinquishment or transfer of such rights and obligations by a long-term/ Medium-term customer shall be subject to payment of compensation, which shall be equal to three months' open access charges.
- iii. The SLDC may cancel or reduce the capacity allocated to a short-term open access customer to the extent it is underutilized, when such a short-term open access customer under-utilizes the allocated capacity more than two (2) times in a month with duration of underutilization exceeding two (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 customer under clause 10(i) above or reduction or cancellation of capacity by the SLDC under clause 10(iii) above, may be allocated to any other short-term open access customer in the order of pending applications based on the point of injection and drawal.

11. Open Access Charges:

The following are the Open access charges payable by Open access customers for reserving and / or using the network:

- a. Transmission Charges
- b. Wheeling Charges
- c. Cross Subsidy Surcharge (CSS)
- d. Additional Surcharge (ASC)
- e. Banking Charges
- f. Standby charges, wherever applicable
- g. Losses as determined by the Commission

- h. Other fees and charges such as Load Despatch Centre fees/ charges, scheduling and system operating charges, applicable parallel operation/ grid support charges, reactive power charges, deviation settlement charges, monthly transaction charges, meter reading charges and any other charges, as per the relevant regulations / Orders of the Commission.

Provided that the open access charges shall be levied from the effective date as defined in WBA, to avoid blocking of the corridor.

12. Computation of Open Access Charges

12.a. Transmission Charges

- (i) For reserving and / or using of inter- State transmission system: As specified by the Central Commission from time to time.
- (ii) For reserving and / or using of intra –State transmission System:
 - (1) **For Long Term and Medium Term Open access**, the Transmission Charges shall be computed as below:

$$\text{Transmission charges in Rs. per MW per Month} = (\text{TTSC} \times 10^7) / (\text{TCC} \times 12)$$

Where TTSC is the Total Transmission System Charges for InSTS shall be sum of Annual Revenue Requirement (ARR) of Transmission Licensee(s) in Rupees Crores approved or adopted by the Commission.

TCC is the Total Contracted Capacity of the Transmission System for all open access customers, excluding short-term OA customers, in MW.

Provided that such Transmission charges shall be levied once in every month.

Provided further that, in case, where a dedicated transmission system used for open access has been constructed for exclusive use of an open access customer by the licensee, the transmission charges for such dedicated system shall be worked out by STU or the transmission licensee for their respective systems and get the same approved by the Commission. The charges shall be borne

entirely by such open access customer till such time the surplus capacity is allotted and used for by other persons or purposes.

Provided also that in case, a dedicated line has been constructed by any open access customer at his cost, for his own exclusive use, no transmission/wheeling charges shall be paid by such customer for such lines.

Provided also that, the Transmission charges for the Co-located Wind-Solar hybrid power plants shall be levied as follows:

- a. For existing power plant(s), if solar or wind capacity is added, the charges shall be limited to the existing transmission capacity contracted with the transmission licensee, subject to the condition that the installed capacity of either solar or wind is not more than the existing transmission capacity contracted.
- b. For existing power plant, if solar or wind capacity is added and if the solar or wind capacity is higher than the existing transmission capacity contracted, then the charges shall be limited to higher of the capacity of either wind or solar installed capacity, subject to the condition that the generator obtains evacuation approval for the additional capacity.
- c. For new hybrid power plants, the transmission charges shall be levied for higher of the capacity of either wind or solar installed capacity, duly obtaining the evacuation approval.
- d. A wind-solar plant will be recognized as hybrid plant if the rated power capacity of one of the resource is at least 25% of the rated power capacity of other resource.
- e. In case capacity margins are available at the receiving transmission sub-station of respective transmission entity, at which the existing wind / solar project is connected, additional transmission capacity / access may be allowed subject to its technical feasibility. In such a case, any transmission augmentation required up to the receiving transmission sub-station including the cost shall be the responsibility of project developer.

Provided also that for non-co-located projects, the charges shall be paid for solar and wind projects separately corresponding to the installed capacity of solar and wind projects respectively.

Provided also that in case of wind solar hybrid projects, the generation should not exceed the contracted capacity. Notwithstanding the above, the SLDC shall have all the rights to curtail the additional injection, keeping in view the security/reliability of the grid operation.

(2) **For Short-Term Open Access**, the Transmission Charges shall be computed as below:

$$\text{Transmission charges in Rs. per MWh} = \frac{\text{TTSC in (Rs. Crores)} \times 10^4}{\text{Energy Transmitted by Transmission Licensee during the year (MU)}}$$

TTSC is the Total Transmission System Charges for InSTS shall be sum of Annual Revenue Requirement (ARR) of Transmission Licensee(s) in Rupees Crores approved or adopted by the Commission.

12.b. Wheeling Charges: As determined by the Commission in Tariff Orders issued from time to time, in accordance with the MYT Regulations.

12.c. Cross Subsidy Surcharge: The Cross-subsidy surcharge shall be as per the provisions of Tariff Policy notified by the Central Government under the Act. The following formula shall be adopted:

$$\text{CSS (S)} = T - [C / (1 - L/100) + D + R]$$

wherein:

S – surcharge,

T – Tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation,

C – Per unit weighted average cost of power purchase by Licensee, including meeting Renewable Purchase Obligation,

L – Aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level,

D -Aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level,

R – Per unit cost of carrying regulatory assets.

Provided that in case the above formula gives negative value of surcharge, the same shall be zero.

Provided further that the cross-subsidy surcharge shall not exceed 20% of the average cost of supply.

Provided also that cross-subsidy surcharge for Open Access shall be computed in Rs/kWh and shall be charged on the actual energy consumed by the consumer under Open Access.

Provided also that such cross-subsidy surcharge shall not be levied in case distribution access is provided to a person who has been availing power from the generation plant established as a captive plant for his own use.

12.d. Additional Surcharge:

The Additional Surcharge shall be computed as follows:

Additional Surcharge= Cost of Stranded Power/Open Access Energy in kWh.

Where, the Cost of Stranded power = Lower of (Quantum of power backed down/surrendered in MW and Quantum of open access power in MW in the previous year) * Per Unit Fixed Cost of Power Purchase (Rs./MW).

Provided that, BESCOM on behalf of all ESCOMs, shall collect the data from SLDC & ESCOMs for the previous year as per the Forms-1 & 2 and file petition before the Commission for determination of additional surcharge for ensuing year. The additional surcharge so determined shall be applicable to all open access consumers as well as the open access consumers of the Distribution Licensee(s) procuring power from ESCOMs. Additional Surcharge collected by the Distribution Licensee in respect of OA customers, procuring power from ESCOMs, shall promptly transfer the same to respective ESCOMs.

Provided further that cross subsidy surcharge and additional surcharge shall not be applicable in case power produced from a non-fossil fuel-based Waste-to-Energy plant is supplied to the Open Access Consumers.

12.e. Banking charges:

- i) Banking shall be permitted on a monthly basis on payment of applicable charges as determined by the Commission from time to time.

Provided that the unutilized banked energy remaining at the end of the month, shall not be permitted to be carried forward to subsequent months. However, the RE generating stations would be entitled to Renewable Energy Certificates (RECs) for such energy remaining unutilized at the end of the month.

- ii) The energy banked during peak TOD slots (peak and off-peak ToD slots shall be as defined in the Orders issued by the Commission from time to time) shall be permitted to be drawn during peak as well as off-peak TOD slots. The energy banked during off-peak TOD slots shall be permitted to be drawn during off-peak TOD slot only.
- iii) The banking charges shall be 8% of the banked energy or as determined by the Commission from time to time.
- iv) The banked energy shall be computed slot-wise and day-wise and summated at the end of the month.

12.f. Standby charges

In case of outages of generators supplying to a consumer on open access, standby arrangements should be provided by the licensee on payment of 125% (normal energy charges plus 25% of normal energy charges) of energy charges applicable to that consumer category as determined by the Commission in its tariff orders.

12.g. Losses

Intra State Transmission losses and or Distribution losses as approved by the Commission in Tariff orders issued from time to time shall be applicable for all OA transactions.

12.h. Other fees and charges

- i) Load Despatch Centre fees/ charges as determined by the Commission in Tariff Orders issued from time to time
- ii) Scheduling and system operating charges, applicable parallel operation/ grid support charges, reactive power charges as determined by the Commission from time to time
- iii) Deviation settlement charges as specified under the Regulations as amended from time to time
- iv) Monthly transaction charges of Rs.3000/- (Rupees Three Thousand only) per month
- v) Meter reading charges of Rs. 1000/- (Rupees One Thousand only) per month. No meter reading charges shall be collected, in case of AMR meters having remote meter reading facilities are being installed and data is transferred automatically to SLDC/Concerned ESCOM.
- vi) any other charges as specified under the various KERC Regulations and Orders, if any.

13. Curtailment Priority:

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

- a. The short-term open access consumer shall be curtailed first.
- b. Next, medium-term OA consumer shall be curtailed.
- c. Next long-term OA consumer shall be curtailed.

Provided that, in view of Grid Security issues, within a category, the OA consumer shall have equal curtailment priority and shall be curtailed on pro-rata basis.

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

- 14. Green Certificate.** –The distribution licensee shall give green certificate on yearly basis to the consumers for the green energy supplied by the licensee to consumer on his request beyond the renewable purchase obligation of the consumers.

15. Dispute Resolution:

All disputes and complaints relating to open access shall be made to the SNA, 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 SNA 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 (30) from the date of receipt of Order.

16. Special Energy Meters:

- i) Metering shall be done in accordance with the provisions of CEA (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.
- ii) The meters shall be capable of time-differentiated measurements (15 minutes) of necessary parameters and shall have ToD facility. These meters shall always be maintained in good condition and shall be open for inspection by any person authorized by the State nodal agency.

Provided that for LT consumers seeking open access, the time differentiated measurement of parameters in the meter in 15-minutes' time blocks shall be waived. However, such meters shall have ToD facility.

- iii) The meter shall include CTs, PTs and associated accessories and shall be tested and calibrated at least once in a year.
- iv) The meters shall be sealed by the distribution licensee in whose area the Generator/Consumer is situated.
- v) In case the meter is provided by the transmission/distribution licensee, the open access customer shall pay for its rent and also provide meter security deposit.
- vi) The meter shall be capable of communicating its reading to SLDC on real time basis.
- vii) The metering code prevailing in the State shall be applicable to the open access customers.

17. Compliance of Grid Code/Distribution Code

All Open Access customers shall abide by the State Grid Code, Distribution Code and all other Codes and Standards, DSM Regulations as applicable from time to time.

18. Collection and Disbursement of charges

The charges in respect of all Open Access customers shall be payable directly to the State Nodal agency in accordance with the terms and conditions of payment as prescribed by the State Nodal agency. SNA shall disburse the amount received to the concerned licensees (Transmission charges to the STU or the transmission licensee and distribution network charge to the appropriate distribution licensee).

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.

19. Information System:

1. SLDC shall post the following information in a separate web page titled "Open Access" Information and also issue a monthly and annual report containing such information;
 - a. A status report on long term/medium-term/short term customers.
 - b. Peak load flows on EHV and HV lines
 - c. 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.

20. Reports:

The transmission/distribution licensee shall publish a quarterly report on its website or as often requested by the Commission the information in the following format:

| Sl. No. | Name and address of the open access/wheeling consumer | Whether OA with RE or otherwise | Point of injection | Point of drawal | Capacity allowed (MW) | Period of open access allowed | Actual annual utilization of energy in MU |
|---------|---|---------------------------------|--------------------|-----------------|-----------------------|-------------------------------|---|
| | | | | | | | |

21. Communication facility:

All Open Access customers shall have the requisite communication system in place to facilitate seamless communication of data/orders/ information to/from the State Nodal Agency, in accordance with the applicable standards / Regulations.

22. 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.

23. 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 open access consumers, generators, SNA 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.

Open access customers/licensees may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

24. 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.

25. Interpretation:

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

26. Repeal and saving:

Save as otherwise provided in these Regulations, the Karnataka Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2004, and its amendments shall stand repealed from the date of commencement of these Regulations. Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any procedure, minutes, reports, confirmation or declaration of any instrument executed under the repealed regulations shall be deemed to have been done or taken under the relevant provisions of these Regulations.


Secretary 16/1,

for Karnataka Electricity Regulatory Commission

Details to be furnished for estimation of Additional Surcharge

Form -1

| | | (A) Available Capacity in MW for the Month | | | | |
|---|--|--|-----------|-----------|-----------------|-----------------------|
| | | 0000-0015 | 0015-0030 | 0030-0045 | 0045-0100 | Average for the month |
| Sources | | | | | ----->>>>>>>>>> | |
| 1.KPCL Thermal Stations | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| 2. CGS sources | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| 3.Major IPPs (excluding RE) | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| ... | | | | | | |
| (A) Total (1 to 3) for each 15mts block | | | | | | A1= Average of A |
| | | | | | | |
| | | (B) Scheduled Capacity in MW for the Month | | | | |
| | | 0000-0015 | 0015-0030 | 0030-0045 | 0045-0100 | Average for the month |
| Sources | | | | | ----->>>>>>>>>> | |
| 1.KPCL Thermal Stations | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| 2. CGS sources | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| 3.Major IPPs (excluding RE) | | | | | | |
| (i) | | | | | | |
| (ii) | | | | | | |
| ... | | | | | | |
| (B) Total for each 15mts block | | | | | | B1=Average of B |
| | | | | | | |
| | | (C) Scheduled Open Access capacity (IEX/3rd party) in MW for the month | | | | |
| | | 0000-0015 | 0015-0030 | 0030-0045 | 0045-0100 | Average for the month |
| Sources | | | | | ----->>>>>>>>>> | |
| IEX | | | | | | |
| 3rd Party | | | | | | |
| (C) Total for each 15mts block | | | | | | C1=Average of C |

- Note:
1. Data on 15 minutes block wise to be furnished for the previous year ie , if A5 is to be determined for 2024-25, data to be furnished for 2023-24 for the State
 2. Data shall be furnished for all the 12 months
 3. The monthly available capacity/scheduled /OA capacity (A1,B1,C1) to be calculated by taking the average for each month for each 15mts time block

Form -2 : Monthly Average Surplus/Stranded capacity (MW)

| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | Overall Average |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|---------------------------------|
| D. Average Available capacity | A1 | A2 | A3 | A4 | A5 | A6 | A7 | A8 | A9 | A10 | A11 | A12 | D= (Average of A1 to A12) XXXXX |
| E. Average Scheduled Capacity | B1 | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | B10 | B11 | B12 | E= (Average of B1 to B12) XXXXX |
| F. Stranded capacity (D-E) | F1 | F2 | F3 | F4 | F5 | F6 | F7 | F8 | F9 | F10 | F11 | F12 | F= (Average of F1 to F12) XXXXX |
| G. Scheduled OA capacity | C1 | C2 | C3 | C4 | C5 | C6 | C7 | C8 | C9 | C10 | C11 | C12 | G= (Average of G1 to G12) XXXXX |
| H. Stranded capacity due to OA (Lower of F,G) | H1 | H2 | H3 | H4 | H5 | H6 | H7 | H8 | H9 | H10 | H11 | H12 | H= (Average of H1 to H12) XXXXX |

Note:

4. The month wise average capacity for each time block is to converted to yearly figures by taking average of 12 months

Stranded Cost of Power for the year in Rs. (S) = H * per MW Average fixed cost of sources mentioned in Form-1 for the year in Rs.
 Additional surcharge (AS) (Rs./kWh) = S / OA Energy for the year (3rd party, IEX) (kWh)