

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

In the matter of:

Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024.

CORAM:

**Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member**

STATEMENT OF REASONS

1. Background:

The Gujarat Electricity Regulatory Commission (GERC) has notified the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 through Notification No.08 of 2024 dated 21.02.2024.

In connection with the Banking Charges, these Regulations specified that-

“1. Short Title, Extent and Commencement

....

4) The Banking Charge specified in the Regulation 17.6 shall be effective from the date of notification of these Regulations up to 30th September 2024 and thereafter the banking charges for the period starting from 1st October 2024 and onwards shall be as decided by the Commission through a separate notification of Regulation.

....

17.6, Banking facility and charges

....

(viii). The Banking Charge at rate of Rs. 1.50 per unit shall be effective from the date of notification of these Regulations up to 30th September 2024. Thereafter, the banking charge for the period starting from 1st October 2024 and onwards as decided by the Commission and separately notified by the Regulation, shall be applicable.”

The GERC has initiated study for determination of framework for banking charges, which is under progress, however, in the meantime, it is expeditious to issue necessary modification in the Regulations for continuing existing Banking Charge of Rs. 1.50 per unit for further period of six months.

Accordingly, it is proposed to amend the existing GERC Regulations and through draft Amendment Regulations, it is proposed that-

The Clause 1 (4) shall be substituted as under:

“1. Short Title, Extent and Commencement

.....

4) The Banking Charge specified in the Regulation 17.6 shall be effective from the date of notification of these Regulations up to 31st March 2025 or earlier date on which the Commission notifies such charges through a separate notification of Regulation”.

The Clause 17.6 (viii) shall be substituted as under:

“17.6 Banking facility and Charges

(viii) The banking charge at the rate of Rs. 1.50 per unit shall be effective from the date of this Regulations up to 31st March 2025 or earlier date on which the Commission notifies such charges. Thereafter the banking charge for the period starting from the separate notification by Regulations notified by the Commission shall be applicable”.

2. Consultation Process:

Accordingly, a Draft Notification dated 31.08.2024 for amendment in Principal Regulations has been published and Public Notices were issued seeking suggestions/ objections from the stakeholders in the matter.

Thereafter, the Commission conducted a public hearing on the Draft Amendment Regulations on 19.09.2024. List of stakeholders who submitted written comments and made representation during public hearing is provided as Annexure-I and Annexure-II

3. Views of the Stakeholders, Analysis and Findings of the Commission thereon:

- i. Some of the Stakeholders have requested that banking charges be fixed at 8% of banked energy i.e. banking charges in kind citing reasons such as varying CUF (Capacity Utilization Factor) for different RE technologies and the provisions of the model Regulations of Forum of Regulators. They also pointed out the lack of calculation or logic behind the current banking charges of Rs. 1.50 per kWh.

Commission's analysis and decision-

It is noted that while finalizing the Principal Regulations, it was decided to continue the Banking Charges as Rs. 1.50 per kWh, which was in practice and in line with the 'Gujarat Solar Power Policy 2021'. Further it was also decided to initiate the detailed study for determining the Banking Framework on the basis of actual cost of banking and accordingly in Principal Regulations it was provided that new banking charges as applicable from 1st October 2024 will be notified separately. But, in view of the current status of ongoing study, now, it becomes necessary to continue existing banking charges for the further period of six months i.e. upto 31st March 2025.

- ii. One of the stakeholder has suggested that the banking facility should be provided upon payment of marginal cost power purchase to avoid socializing the cost of banking on other consumers. It is argued that any other arrangement would unfairly burden smaller consumers who are not in a position to install solar panel/ generation.

Commission's analysis and decision-

We acknowledged the suggestion but emphasize that the detailed study on the actual cost and impact of banking is still in progress. A draft paper will be published for stakeholder consultation based on the collected data and analysis. In the meantime it is require to continue existing mechanism for further period of six months i.e. up to 31st March 2025.

iii. Other comments and suggestions-

- a) It is requested to clarify that the banking charges would only be levied on banked energy drawn and not on the entire energy injected / consumed.
- b) Clarification was sought on Regulation 17.6 (vi) read as *“The permitted quantum of banked energy by the green energy open access consumers shall be at least 30% of total consumption of electricity from the distribution licensee by the consumers during the billing period”*.
- c) It is submitted that the Commission should study the drawl of banked energy during peak hours and consider additional banking charges for power generated and banked during non-peak hours but drawn during peak hours.

Commission’s analysis and decision-

We note that above comments are not subject matter of the Draft Regulations on which comments are invited. Hence, the above suggestions are not considered at this stage.

4. The Commission decide and directs to the Office of the Commission that the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024 be published in the Official Gazette as decided in the foregoing paragraph of this Statement of Reasons.

**Sd/-
S. R. Pandey
(Member)**

**Sd/-
Mehul M. Gandhi
(Member)**

**Sd/-
Anil Mukim
(Chairman)**

**Place: Gandhinagar
Date: 23/09/2024.**

Annexure - I

The Commission has received comments/suggestions from the following stakeholders pursuant to public notices dated 31.08.2024, in the matter of Draft Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024:

Sr. No.	Name of the Stakeholder
1.	Opera Energy Pvt. Ltd
2.	Federation of Renewable & Consumers of Energy
3.	Prozeal Green Energy Ltd.
4.	Torrent Power Ltd.
5.	Sihor Steel Rerolling Mills Association
6.	Spinners Association (Gujarat)
7.	KPI Green Energy Ltd.
8.	Distributed Solar Power Association
9.	Rajkot Chamber of Commerce and Industry

Annexure II

The following stakeholders were present during the hearing on 19.09.2024 in the matter of Draft Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024:

Sr. No.	Name of the Stakeholder
1.	Opera Energy Pvt. Ltd.
2.	Spinners Association (Gujarat)
3.	BEE Electric Private Ltd.
4.	Gujarat Urja Vikas Nigam Ltd.
5.	Madhya Gujarat Vij Company Ltd.
6.	Paschim Gujarat Vij Company Ltd.
7.	Distributed Solar Power Association
8.	Sunsnatch Solutions LLP