

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

In the matter of:

Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025.

CORAM:

Mehul M. Gandhi, Member
S. R. Pandey, Member

STATEMENT OF REASONS (SOR)

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. Thereafter, the GERC has made an amendment thereto vide Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024 through Notification No. 16 of 2024 dated 23.09.2024 and Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Second Amendment) Regulations, 2025 through Notification No. 06 of 2025 dated 28.03.2025.

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*

2025 or earlier date on which the Commission notifies such charges 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 31st March 2025. Thereafter the banking charge for the period starting from the separate notification by Regulations notified by the Commission shall be applicable."

The Commission 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, i.e., effective from 01st October 2025, earlier date on which the Commission notifies such charges through a separate notification of Regulation.

Accordingly, it is proposed to amend the existing GERC Regulations and through Draft Third Amendment Regulations, providing 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 2026 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 2026 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:

The Draft GERC (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025 dated 30.08.2025 for amendment in Principal Regulations read with its First Amendment Regulations, 2024 and Second Amendment Regulations, 2025 were published and also issued Public Notices on 31.08.2025 in two Gujarati daily and on 01.09.2025 in one English daily inviting comments/suggestions/objections from the stakeholders in the matter.

Thereafter, the Commission conducted a public hearing on the Draft GERC (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025 on 15.09.2025. List of stakeholders who submitted written comments are provided in ‘Annexure-I’ and the stakeholders who have made representation during public hearing is provided in ‘Annexure-II’ to this SOR.

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 as advised by Committee of Forum of Regulators (FOR) and adopted by most of States in India. Further, the present banking charges of Rs. 1.50 per unit is not justified with consideration of different level of CUF for different RE technologies based projects.
- ii. Some of the Stakeholders have submitted that there is no study/simulation/background calculations for levy of banking charges of Rs. 1.50 per unit and therefore the same needs to be discontinued even as an interim arrangement and the Commission may provide for

banking charge at rate of 8% in kind during the interim period as determined by the Ministry of Power/Forum of Regulators.

- iii. Some of the objectors have stated that the banking charge of Rs. 1.50 per unit also considers the backing down cost of conventional power plant, the said cost is already part of additional surcharge levied from Open Access consumers and therefore, the same cannot be part of Banking Charge. Further, the CUF of Wind Solar Hybrid project is much higher than the standalone Solar project and even higher than the average PLF of the Thermal Power Plants of the State of Gujarat. Therefore, the open access consumers cannot be forced to bear the additional burden of part of power purchase costs of the utilities through banking charges.
- iv. Some of the objectors have requested the Commission to consider the following aspects:
 - (i) Can Banking charges be adopted without any technical study or without any backup data or without following the regulatory process?
 - (ii) Can an interim tariff determined by the Commission be considered for so long?
 - (iii) In the condition when there is no formal tariff determined / no provision of the banking charges exist as to why the provisions of the banking charges at 8% in kind as recommended by the Committee of Forum of Regulator (FOR) should not be made applicable till such time the Commission decides for the banking charges with due process of public consultation and study conducted?

Commission's Analysis and Decision-

We have noted the above submissions of the stakeholders. We also note that while finalizing the Principal Regulations, it was decided to continue

the Banking Charges at 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 for banking charges with consideration of cost involved for providing banking facility to the OA consumers and accordingly in Principal Regulations, it was provided that the new banking charges shall be effective from 1st October 2024, and vide Notification of First and Second Amendments in the Regulations, the same was provided upto 30th September 2025 or earlier date on which the Commission notifies such charges through a separate notification of Regulations. It needs to be considered that the determination of the framework for computation of banking charges is time consuming process involving voluminous data to be collected from the utilities, its collation, scientific analysis and detailed study for deriving the framework for computation of banking charge with public consultations. Thus, considering the current status of ongoing study, it becomes necessary to continue with the existing banking charges for the further period of six months i.e. upto 31st March 2026 in the overall interest of all stakeholders.

- v. One of the stakeholder has requested the Commission to bring following changes in the Regulations;
 - a) to shift from 15 minute time slot basis to ToU slot basis for accounting of banked energy,
 - b) to abolish transaction and meter reading charges,
 - c) to waive standby charges,
 - d) to allow surrender of transmission rights without levy of relinquishment charges,
 - e) to provide for smart meter along with special energy meter installed at consumer premises for grant of Green Energy Open Access.

Commission's Analysis and Decision-

We have noted the above suggestions of stakeholder. We note that the aforesaid comments are not subject matter of the present proceedings and accordingly, not considered at this stage.

- vi. During the course of public hearing, some of the stakeholders have requested the Commission to continue with existing banking charge of Rs. 1.50 per unit till the Commission determines the framework for banking charges.

Commission's Analysis and Decision-

Considering the present status of ongoing study for determination of framework for banking charges, the Commission decides to continue with the existing banking charges for the further period of six months i.e. upto 31st March 2026 or earlier date on which the Commission notifies such charges through a separate notification of Regulation, in the overall interest of all stakeholders.

- 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) (Third Amendment) Regulations, 2025 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)

Place: Gandhinagar
Date:25/09/2025.

Annexure – I

The Commission has received comments/suggestions from the following stakeholders pursuant to public notices on 31.08.2025 in two Gujarati daily and on 01.09.2025 in one English daily, in the matter of Draft Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025:

Sr. No.	Name of the Stakeholder
1.	M/s Indus Towers
2.	Distributed Solar Power Association
3.	M/s KPI Green Energy Limited

Annexure II

The following stakeholders were present during the hearing on 15.09.2025 in the matter of Draft Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025:

Sr. No.	Name of the Stakeholder
1.	M/s Indus Towers
2.	Distributed Solar Power Association
3.	Gujarat Urja Vikas Nigam Limited
4.	Torrent Power Limited