

Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022

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In news—The Ministry of Power has recently notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 (REOA Rules)

The salient features of the Rules are as under:

- These Rules will be **applicable for generation, purchase and consumption of green energy** as defined therein, including the energy from Waste-to-Energy plants.
- The **rules are aimed at easing the process of accessing green sources of power** by commercial and industrial consumers.
- **Captive consumers can now take power under Green Open Access without any limits** and distribution companies can demand supply of green power from generation companies.
- **Power System Operation Corporation Ltd (POSOCO) is the central nodal agency** to set up and run a single window green energy system.
- Under the new rules, **any consumer can take power under Green Open Access.**
- **The POSOCO will now have to approve or reject the applications for green power supply within 15 days.** Otherwise, the application would be deemed approved.
- The **threshold for such transactions** has also been lowered to **100 kilowatts**, from 1 megawatt earlier, to benefit smaller consumers.
- **There will also be a uniform renewable purchase obligation on users** under the open access norms,

including captive consumers and commercial entities, in areas assigned to the discoms.

- Discom Consumers can demand for supply of Green power to them.
- **Users seeking open access to a clean energy source, without being tied to discoms, will have fewer surcharges to pay.**
- Under the new norms, **the tariff for the green energy will be determined separately by an appropriate commission,** and will comprise the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy.
- The government has also **mandated banking of surplus green energy with the distribution licensee.**
- The rules will help streamline the overall approval process for granting open access, including timely approval, to improve predictability of cash flow for renewable power producers. It will also bring uniformity in the application procedure.
- Consumers of green power will be given **green certificates and cross subsidy surcharge** and additional surcharge won't be applicable if green energy is utilized for production of green hydrogen and green ammonia.
- Commercial and Industrial consumers are allowed to purchase green power on a voluntary basis.
- The notified Rules will enable faster approval of Green OA, Uniform Banking, Voluntary purchase of RE power by commercial & industrial consumers, Applicability of OA charges etc.
- The 2003 Electricity Act allowed consumers to buy power directly from the generators by using the grid under open access arrangement.

- It is a CPSE under the jurisdiction of the Ministry of Power, Government of India.
- It is responsible to monitor and ensure round the clock integrated operation of the Indian Power System in a reliable, efficient and secure manner thus serving a mission critical activity.
- It consists of 5 Regional Load Despatch Centres (RLDCs) and the National Load Despatch Centre (NLDC).
- The load dispatch functions, earlier handled by PGCIL, have been entrusted to POSOCO.
- It was founded in 2009 as a wholly owned subsidiary of the Power Grid Corporation of India Limited.