



NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

भारतीय सौर ऊर्जा महासंघ

पंजीकरण नं 362 / IV - 8 मई, 2013

Ref. NSEFI/HRNRE/2020-21/302

Date: 11.01.2021

To,

Shri P K Mahapatra

Additional Chief Secretary

Department of New and Renewable Energy, Government of Haryana

Akshay Urja Bhawan, Plot No-1, Sector 17

Opp Agarwal Bhavan, Panchkula

Haryana 134109

Sub: Request for exemption of imbalances charges due to reduction in Scheduling & Contract Demand in case of inter-state Renewable Energy transaction with consumers of Haryana

Dear Sir,

National Solar Energy Federation of India (NSEFI) is a non-profit organization with the objective of solar power development. It is an umbrella organization representing solar energy companies active along the whole photovoltaic value chain: project developers, manufacturers, engineering companies, financing institutions, and other stakeholders. NSEFI was founded in 2013 by solar energy industry leaders with the vision to promote solar energy, NSEFI is a public trust based in New Delhi.

At the outset, we would like to thank the Government of Haryana (“GoH”) for all its support and responsiveness to the sector, enabling us to effectively deal with the coronavirus (COVID-19) pandemic. As a result of the support extended by the State during the lockdown, the renewable energy (RE) sector is trying to recover from the COVID shock with the announcement of the unlock guidelines by the Central Government.

We would also like to commend the GoH in issuing a tender to install 3 MW of grid-connected rooftop solar projects with a net metering facility and inviting bids for 30 MW rooftop solar projects on government buildings in the state. Such initiatives taken by the GoH at the time economic slowdown will provide much needed impetus to the RE sector in the state and also help in achieving India’s RE target of 175 GW of installed capacity by 2022.

Nevertheless, we would like to take this opportunity to bring to your attention that many of our members, who are independent power producers (IPPs) in the RE sector and **who are supplying solar power to Haryana from outside the state are being levied with imbalance charges on account of scheduling and contract demand reduction requirement**. This has caused unnecessary financial burden on the RE generators who are already cash strapped.

We would like to highlight that as per Haryana Electricity Regulatory Commission (HERC) (Terms and Conditions for determination of Tariff from Renewable Energy Sources, Renewable Purchase Obligation and Renewable Energy Certificate) Regulations, 2017, **Intra-state solar generation and thereof consumption are exempted from Scheduling & Contract Demand reduction and RE generators need not pay any imbalance charges.** The relevant article (#64) of the said regulation has been reproduced herein as under:

“64. Others.

a)

b)

c) The imbalance charges as per Open Access Regulation will not be applicable for Solar Power generated and consumed within the State. “

Similarly, our members are of the view that while the above benefits allowed for intra-state solar generation is a welcome step, however, similar benefits must also be extended to **Inter-state RE generation and thereof consumption i.e. inter-state RE generation and consumption** should also be exempted from Scheduling & Contract Demand reduction and RE generators need not to pay any imbalance charges.

It is pertinent to note that whether RE projects are located inside or outside the state, the supply of energy from RE power plant is intermittent in nature and is dependent upon ambient conditions. Therefore, for any type of consumers, scheduled consumption as against the scheduled RE generation for all the 96-time blocks across a day is an impossible task.

In such situations, while sourcing power from Renewable Energy even from outside the state, contract demand should not be reduced for each time block. Consumers rely on distribution licensee for meeting their energy requirements from DISCOM within the ambit of Contract Demand in case of any reduction in RE generation etc. If Contract demand of consumers are reduced to the extent of reduced inter-state RE schedule, then consumers will be penalised with imbalances charges which would be unfair for them as similarly placed consumers who are availing intra-state open access from RE sources need not pay such imbalances charges..

Further the typical CUFs of Solar/Wind/Hybrid RE plants normally lie in the range of 25%/30%/50% respectively, which means that by adopting RE supply, a consumer can only replace a part of the load and not the entire load even if it is allowed to consume within the contract demand. This puts further restrictions in terms of contract demand reductions and scheduling requirement on inter-state supply, thereby, discouraging the adoption of renewable energy by industries across Haryana.



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Hence, with reference to the abovementioned points and to encourage industries in Haryana to opt for green and clean energy either within the state or outside the state, **we request your good offices to not discriminate between intra-state and inter-state RE generation and extend similar benefits to inter-state RE generation also i.e. allow exemption from Scheduling & Contract Demand reduction for Renewable Energy generated outside the State.** Unhindered adoption of the RE power from outside the state will also help in expediting the State of Haryana to achieve its required renewable purchase obligation (RPO) targets which might not get fulfilled from procurement of RE power produced intra – state alone.

Given that it is a challenging to keep the scheduling of inter – state supply of RE power in line with consumption, it is a necessary that **generators located outside the state should also be exempted for the purposes of scheduling of energy and consequent deviation penalties should not levied on them.** In the long – term this help in building the RE profile of the state of Haryana and help the state in achieving India's RE target of 175 GW of installed capacity by 2022.

We request your good office to kindly consider the abovementioned points at the earliest and we would happy to provide any additional information that may be required in this regard.

Regards,

Subrahmanyam Pulipaka
Chief Executive Officer

