

RAJASTHAN ELECTRICITY REGULATORY COMMISSION, JAIPUR

Suo-Motu

In the matter of:

Framework for Large Scale Integration of Renewable Energy using Energy Storage Systems and its impact on Tariffs.

- Coram:** 1. Dr. B.N.Sharma, Chairman.
2. Shri S. C. Dinkar, Member.
3. Shri Prithvi Raj, Member.

Date of hearing: 28.09.2021 (though Video Conferencing).

Date of Order: **30.12.2021.**

ORDER

1. Commission had floated a discussion paper on "*Framework for Large Scale Integration of Renewable Energy using Energy Storage systems and its impact on Tariffs*" focused on the requirement of regulatory frameworks for the development of energy storage systems to address the integration challenges associated with large-scale RE projects. Comments/suggestions were invited through publishing notices in the newspapers and placing the documents on the Commission's website on or before 31.03. 2021. The hearing the matter was held on 28.09.2021 through video conferencing.
2. Commission had received various comments/suggestions from the stakeholders regarding Interventions required to support the integration of energy storage with large scale RE Projects viz., initiation of the bidding process, defining the terms and conditions of tariff and PPA, determination of ceiling tariff on energy storage output, narrowing down of the DSM bands after integration of storage, the need of ancillary services regulations etc., It was also requested that a detailed study may be conducted to evaluate impact and adaptability of ESS covering cost, tariff framework and integration at generation/transmission/distribution. Further, it was requested that a pilot project be implemented to evaluate the impact of ESS on the grid and consumers.

3. Further, while finalizing the Seventh Amendment in the RERC (Renewable Energy Obligation) Regulations, 2007, a request to promote RE storage systems was received where Commission was of the view that RPO target for storage and methodology of the fulfilment of the same may be specified after inviting comments/suggestions following the previous publication process in due course of time through a separate order.
4. Recognising the need to assess the value of storage in the wake of large-scale penetration of renewable, recently, the Forum of Regulators (FOR) has also constituted a Working Group on "*Regulatory Framework for Energy Storage System and Electric Vehicles*", which will also give its recommendations.
5. Energy storage is an evolving concept, and the aim of publishing the paper was to invite comments/suggestions on the Energy Storage Systems and Commission has noted the various aspects touched upon therein.
6. Looking to the fast-paced developments in the field of energy storage systems, Commission is of the view that before taking any further intervention, a broad picture is to be visualised in the backdrop of the position narrated above and accordingly, a regulatory framework needs to be evolved for the deployment of the energy storage systems in the State.
7. Keeping in view the above, Commission decides that further action in the matter will be taken in due course of time through separate regulatory exercise(s) appropriately wherein while framing the draft Regulations or issuing orders, the Commission will also keep in view the various inputs received in the current proceedings. The present proceeding, having achieved its ultimate objective in the above matter, is disposed of in the above terms.

(Prithvi Raj)
Member

(S.C. Dinkar)
Member

(Dr.B.N. Sharma)
Chairman