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BIHAR ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

The 2nd April, 2018

No. Case No. BERC/SMP-34/2017-04— In exercise of powers conferred under sections 61, 66,86(1)(e) and 181 of the Electricity Act, 2003 (Act 36 of 2003), Rules and Regulations made thereunder and all other powers enabling it in this behalf, and after previous publication, the Bihar Electricity Regulatory Commission makes the following regulations for the banking of power from fossil fuel and renewable energy based Captive Generating Plant :

1. Short title, extent and commencement

1.1 These regulations may be called the **Bihar Electricity Regulatory Commission (Banking of Power from fossil fuel and renewable energy based Captive Generating Plant) Regulations, 2018.**

1.2 These Regulations extend to the whole of the State of Bihar.

1.3 These regulations shall come into force from the date of their notification in the Official Gazette of Government of Bihar.

2. Definitions and Interpretations

2.1 In these Regulations, unless the context otherwise requires:

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- a) **"Act"** means the Electricity Act, 2003 (36 of 2003) and subsequent amendments thereof;
 - b) **"Agreement"** means an agreement entered into by the distribution licensee and the captive generator;
 - c) **"Authority"** means Central Electricity Authority referred in sub-section (1) of Section 70 of the Act;
 - d) **"Banking of Power"** is the process under which a captive fossil fuel or renewable energy based generating plant (*whether it has a separate electric connection or not*) supplies power to the grid not with the intention of selling it to either a third party or to a licensee, but with the intention of exercising its eligibility to draw back this power from the grid in the event of deficit of power, emergency, maintenance or shutdown of the plant.
 - e) **"Bi-directional meter"** means an appropriate energy meter capable of recording both import and export of electricity or a pair of meters one each for recording the import and export of electricity as the case may be; which shall be an integral part of the metering system;
 - f) **"Billing cycle or billing period"** means the period for which regular energy bills as specified by the Commission, are prepared by the licensee;
 - g) **"Captive Generating Plant"** means a power plant as defined under clause 3 of The Electricity Rules, 2005 as amended time to time, Such captive plant may have co-located or distant located consumption plant
 - h) **"Commission"** means Bihar Electricity Regulatory Commission constituted under the Act;
 - i) **"Distribution licensee"** or **"Licensee"** means a person granted a license under Section 14 of the Act authorizing him to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
 - j) **"Financial year"** or **"Year"** means the period beginning from first of April in an English calendar year and ending with the thirty first of the March of the next year;
 - k) **"Inter connection point"** means the interface of captive power generation facility system with the network of transmission/ distribution licensee;
 - l) **"Invoice"** means either a monthly bill / supplementary bill or a monthly invoice/ supplementary Invoice raised by the distribution licensee;
 - m) **"MNRE"** means Ministry of New and Renewable Energy, Government of India;

- n) **"Settlement period"** means the period beginning from first of April in an English calendar year and ending with the thirty first of the March of the next year;
- (o) **"Tariff order"** in respect of a licensee means the most recent order issued by the Commission for that licensee indicating the rates to be charged by the licensee from various categories of consumers for supply of electrical energy and services and its validity has not expired;
- p) **"Wheeling"** means the operation whereby the distribution system or associated facility of a transmission licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges to be determined under Section 62 of the Act;

2.2 All other words and expressions used in these Regulations and not specifically defined herein above, but defined in the Act or any law passed by the Parliament applicable to the electricity industry in the State shall have the meaning assigned to them in the Act or in such law.

3. Scope and Application

3.1 These Regulations shall apply to the distribution licensee and all captive fossil fuel and renewable energy based generating plant in the State of Bihar supplying power to the grid not with the intention of selling it to either a third party or to a licensee, but with the intention of exercising its eligibility to draw back this power from the grid in the event of deficit of power, emergency, maintenance or shutdown of the plant.

3.2 The eligible captive generator may have fossil fuel based or renewable energy based generating plant.

3.3 The captive generating plant shall interconnect and operate safely in parallel with the grid.

4. General Principles

4.1 The distribution licensee shall offer the provision of banking of power arrangement to the eligible captive generator, who intends to avail such facility, in its area of supply on non-discriminatory basis in accordance with the guidelines issued by the Distribution licensee.

Provided that the distribution licensee shall offer the provision of banking of power to the eligible captive generator for the target capacity as specified under these Regulations;

Provided further that the interconnection of such system with the grid is undertaken as per technical standards specified by the Central Electricity Authority.

4.2 Banking of power upto 100% of the surplus energy as agreed between the eligible captive generator and distribution licensee shall be allowed.

4.3 The injection of power into the grid as well as drawal of power from the distribution licensee by the captive generator shall be subject to day ahead scheduling.

Provided that the renewable energy based captive generator shall for the time being be exempted from day ahead scheduling, however the renewable energy based captive generator shall abide by instruction of SLDC.

Provided further that as and when forecasting and scheduling mechanism is made applicable to Renewable energy projects, these renewable energy based captive generators shall abide by such regulations

4.4 The eligible captive generator shall be permitted to withdraw banked power during a particular financial year in the same year.

Provided that Drawal of banked power shall not be permitted during the peak hours.

4.5 The settlement of the banked power shall be made on month to month basis.

4.6 The banked power remaining unutilized on the expiry of the financial year shall be treated as sold to the distribution licensee.

4.7 There shall be Banking Charges chargeable @12.5% of the banked energy.

Provided that in case of renewable energy based generating plants, the banking charges shall be 2% of the banked energy.

Provided further that no banking charges shall be applicable on unutilized banked power.

4.8 The distribution licensee, within three months from the date of gazette notification of these regulations, shall issue guidelines and procedures on Banking of power in its licensed area.

4.9 The Distribution licensee shall allow non-discriminatory open access to eligible captive generating plant under banking arrangement in the event of withdrawal of banked energy at its distant located consumption units,

Provided that the eligible renewable energy based captive generating plant shall be exempted from transmission/ wheeling charges

5. Capacity Targets

5.1 The capacity of the captive generating plant of any eligible captive generator under these Regulations shall not be less than one MW or MWp as the case may be.

- 5.2** The maximum capacity of any eligible captive generator shall be governed by clause 3 of The Electricity Rules, 2005 as amended from time to time.
- 5.3** The distribution licensee shall provide banking of power facility to eligible captive generator as long as cumulative capacity reaches 80% of rated capacity of the connected power transformer of the licensee.
- 5.4** The eligible captive generator will utilize the same service line and installation for injection of power into the grid as well as drawal of power from the distribution licensee.

6. Interconnection with the Grid

- 6.1** The interconnection of the captive generating system with the grid shall conform to the technical specifications, standards and provisions as provided in the Central Electricity Authority (technical Standards for connectivity of the Distributed Generation resources) Regulations, 2013 as amended from time to time.
 - 6.2** The distribution Licensee shall also ensure that interconnection of the captive generating system with the distribution system of the Licensee conforms to the relevant provisions of the Central Electricity Authority (Measures related to Safety and Electric Supply) Regulations, 2010 as amended from time to time.
 - 6.3** The captive generator having Rooftop Solar system may install grid interactive Solar power system with or without battery backup.
Provided that if the Solar Energy Generator, prefers connectivity with battery backup (full load backup/partial load backup), in all such cases the inverter shall have separate backup wiring to prevent the battery/Solar power to flow into the grid in the absence of grid supply and manual isolation switch shall also be provided.
 - 6.4** The captive generator shall be responsible for safe operation, maintenance and rectification of any defect of their generating system up to the point of meter beyond which the responsibility of safe operation & maintenance shall rest with the Distribution Licensee.
 - 6.5** The distribution licensee shall have the right to disconnect the captive generator at any time in the event of possible threat/damage to its distribution system,
- ## **7. Metering Arrangement**
- 7.1** The metering system shall be as per the provisions of CEA (Installation & operation of meters) Regulations, 2006 as amended from time to time.

7.2 The captive generating plant shall install bi-directional Availability Based Tariff compliant Special Energy Meters (SEM) and are installed in such a way that they are conveniently accessible for reading.

7.3 Check meters shall be mandatory for eligible captive generating plant.

7.4 The meters shall be tested, installed and sealed in accordance with the provisions of CEA (Installation and operation of Meters) Regulations, 2006 as amended from time to time. It shall be tested by the licensee and installed in presence of representative of captive generating plant and the licensee with due acknowledgement. It shall be jointly inspected and sealed by the licensee on behalf of both the parties.

Provided that the eligible consumer shall follow the metering specifications, provisions for placement of meter as developed by the distribution licensee from time to time.

7.5 The meter reading shall be taken by the distribution licensee and shall form the basis of commercial settlement. The copy of the meter reading statement shall be handed over to the representative of the captive generating plant as soon as meter reading is taken.

7.6 The cost towards testing and installation of main & check meter shall be borne by the eligible captive generating plants.

8. Commercial Settlement

8.1 For each billing period, the licensee shall show the quantum of injected electricity by the eligible captive generator in the billing period, quantum of withdrawn electricity by the eligible captive generator in the billing period, net electricity qualifying for payment by the eligible captive generator for that billing period and net carried over electricity to the next billing period separately;

8.2 If the electricity injected exceeds the electricity withdrawn during the billing period, such excess injected electricity shall be carried forward to next billing period as electricity credit and may be utilized to net electricity injected or withdrawn in future billing periods;

8.3 If the electricity withdrawn exceeds the electricity injected by the eligible captive generator, the distribution licensee shall raise invoice for the net electricity withdrawn by the captive generating plant after taking into account banking charges and any electricity credit balance remaining from previous billing period;

8.4 The net energy withdrawn during the billing period shall be treated as consumed by the captive generating plant and shall be billed by the

distribution licensee at the average cost of supply as approved by the Commission in the tariff order for the relevant year.

8.5 The banked power remaining unutilized on the expiry of the financial year shall be treated as sold to the distribution licensee and shall be paid to the captive generating plant by the distribution licensee at the average power purchase cost as approved by the Commission in the tariff order for the relevant year.

8.6 In case of any dispute in billing it would be settled through mutual consent and if the issue still remains unresolved, it shall be settled by the Bihar Electricity Regulatory Commission following appropriate procedure.

9. Renewable Purchase Obligation

The quantum of electricity generated by eligible captive generator based on renewable energy shall qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee.

Provided that non-solar renewable energy based generation shall qualify towards non-solar RPO and solar renewable energy based generation shall qualify towards solar RPO.

Provided further that the quantum of electricity generated by eligible captive generator based on fossil fuel shall not qualify towards compliance of Renewable Purchase Obligation (RPO) for the distribution licensee.

10. Eligibility to Participate under Renewable Energy Certificate Mechanism

The issuance of renewable energy certificate to renewable energy based captive generator shall be as per the eligibility criteria specified under Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 and subsequent amendments thereof;

11. Penalty or Compensation

In case of failure of providing non-discriminatory banking of power facility, the provisions of penalty shall be as per the provisions of the Act.

12. Power to give Directions

The Commission may from time to time issue such directions and orders as considered appropriate for the implementation of these Regulations

13. Power to Relax

The Commission may by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person

14. Power to Amend

The Commission may from time to time add, vary, alter, suspend, modify, amend or repeal any provisions of these Regulations.

By the order of the Commission,

Parmanand Singh,
Secretary