GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY
LOK SABHA
UNSTARRED QUESTION NO. 3010
ANSWERED ON 19/03/2025

INCENTIVE FOR STATES MEETING RENEWABLE ENERGY PURCHASE OBLIGATIONS TARGET

3010. SHRI SRIBHARAT MATHUKUMILLI

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether the Government has formulated a policy to reward and incentivize States that meet or exceed their Renewable Purchase Obligation (RPOs) targets and if so, the details of specific financial or regulatory incentives being considered to encourage greater compliance;

(b) whether the Government is planning to introduce incentives or policy interventions to ensure smoother approvals, lower regulatory charges and greater ease of access for commercial and industrial consumers through open access projects by the State Governments and if so, the details thereof;
(c) the measures being taken to support State electricity regulators, DISCOMs and policymakers in building the necessary technical expertise and institutional capacity to effectively integrate and manage renewable energy within State grids; and
(d) the manner in which the Government is assisting States in deploying grid-scale energy storage, improving forecasting mechanisms and enhancing grid flexibility to ensure a stable and reliable renewable energy supply considering that intermittency remains a key concern for States dependent on fossil fuels?

ANSWER

THE MINISTER OF STATE FOR NEW & RENEWABLE ENERGY AND POWER

(SHRI SHRIPAD YESSO NAIK)

(a) Any shortfall in meeting renewable purchase obligation as determined by the concerned State Commission, or notified by Central Government under Energy Conservation Act, whichever is higher, may attract penalty under Electricity Act, 2003 or Energy Conservation Act, 2001, as the case may be. However, as per Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, provides that an obligated entity being a distribution licensee or an open access consumer, which purchases electricity from renewable energy sources in excess of the renewable purchase obligation as determined by the concerned State Commission, or notified by Central Govt. under Energy Conservation Act, whichever is higher, will be eligible for issuance of Renewable Energy Certificates to the extent of purchase of such excess electricity from renewable energy sources. The Certificates so issued can be traded on Power Exchanges or bilaterally.

(b) The Government on 6th June 2022 notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 and thereafter issued amendments thereof. The key features of these Rules that ensure smoother approvals, lower regulatory charges and greater ease of access for commercial and industrial consumers through open access projects by the State Governments, inter-alia include the following:

1. Open Access is allowed to any consumer with contract demand of 100 kW or above through single or multiple single connection aggregating 100 kW or more located in same electricity division of a distribution licensee and for captive consumers there is no such minimum limit,
2. Consumers are entitled to demand supply of green power from DISCOMs and DISCOMs are obliged to supply the demand.
3. Approval for open access is to be granted in 15 days or else it will be deemed to have been granted.
4. Commercial and Industrial consumers are allowed to purchase green power on a voluntary basis.
5. Green Certificates are awarded to consumers for consumption of green power beyond the renewable purchase obligation.
6. Additional surcharge shall not be applicable for Green Energy Open Access Consumers, if fixed charges are being paid by such a consumer.
7. Cross subsidy surcharge and additional surcharge shall not be applicable if green energy is utilized for production of green hydrogen and green ammonia.

So far Green Energy Open Access Regulations have been issued by 30 States/UTs.

(c) To support State electricity regulators, DISCOMs and policymakers including for building the necessary technical expertise and institutional capacity to effectively integrate and manage renewable energy within State grids, the Ministry of Power and Ministry of New and Renewable Energy and various institutions under these Ministries are organising webinars/ workshops/conferences/training programmes/ study tours from time to time.

(d) For assisting States in deploying grid-scale energy storage, improving forecasting mechanisms and enhancing grid flexibility to ensure a stable and reliable renewable energy supply, Government has taken various measures, which inter alia include the following:

a. Publishing a National Framework for promoting & developing Energy Storage Systems.
b. Providing waiver on ISTS charges for a period of 12 years for Battery Energy Storage System and 25 years for Pumped Hydro Storage System from the date of the award of the construction work.
c. Providing Viability Gap Funding for development of approximately 13 GWh of BESS
d. Thirteen Renewable Energy Management Centres (REMCs) have been set-up for better forecasting and real time monitoring of RE generation.
e. Load dispatch centres ensure that electricity demand is fully met using dispatchable sources such as hydro and thermal power when the wind does not blow and sun does not shine.
f. Installation of Static Synchronous Compensators (STATCOMs) to improve the grid reliability and voltage stability limit. A STATCOM acts as a voltage controller for the electricity grid, quickly adding or removing extra power to keep the system running smoothly.
g. Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations lay down the minimum technical requirements for RE generating plants to ensure the safe, secure and reliable operation of the grid.
h. Mandating minimum prescribed flexibility in coal and lignite power plants.

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