

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK-B, SECTOR-18-A, MADHYA MARG, CHANDIGARH

Petition No. 53 of 2023
Date of Order:11.03.2024

Petition for Amendment of Punjab State Electricity Regulatory Commission (Grid Interactive Rooftop Solar Photo Voltaic System) Regulations, 2021.

AND

In the matter of: Punjab State Power Corporation Limited, The Mall,
Patiala.

..... Petitioner

Present: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Ms. Harmohan Kaur, CE/ARR&TR

ORDER:

The present petition has been filed by PSPCL for seeking amendments in PSERC (Grid Interactive Rooftop Solar Photo Voltaic Systems) Regulations, 2021. Highlighting the salient features of these regulations, the petitioner submitted that certain queries have been received from rice shellers/cotton ginning industry regarding the settlement period which has been defined as from 1st October to 31st September of next year in the regulations. The settlement period for net metering and net billing, as provided in the aforesaid regulations, is not suitable to these seasonal industries as the energy accumulated during the non-seasonal period i.e. from May to September cannot be utilized in the subsequent seasonal period i.e. from October to June. In view of the above, the petitioner proposed that the settlement period of cotton ginning, pressing and baling

plants/rice shellers/rice bran stabilization units (without T.G. Sets) may be amended to 1st April to 31st March of the next year.

The petition was taken up for hearing on admission on 15.11.2023 and after hearing the representative appearing for PSPCL, the petition was admitted. Since the petition involves public interest so the Commission vide order dated 21.11.2023 directed PSPCL to publish a public notice inviting objections/suggestions from the stakeholders as required under Regulation 67 of the PSERC (Conduct of Business) Regulations, 2005. It was also decided to hold public hearing on 17.01.2024. PSPCL published the public notice in various newspapers dated 12.12.2023. In response to the public notice, two objections have been received, one from the Bathinda Rice Millers Association and the second from Sh. Harkesh Singh. The Bathinda Rice Millers Association supported the proposal of PSPCL and submitted that implementing the scheme would enable these industries to avail the benefits of installing the solar panels.

The petition was taken up for hearing as well as public hearing on 31.01.2024. Sh. Harkesh Singh submitted his suggestions, a copy of which was provided to PSPCL for submitting their comments. PSPCL submitted its comments on the objections filed by Sh. Harkesh Singh vide CE/ARR&TR memo no.5253 dated 16.02.2024 as under:-

- (i) Regarding suggestion of the objector that no settlement period should exist, PSPCL referred to Commission's Order dated 16.08.2021 wherein it has been mentioned that
"...prosumers under Net Metering are enjoying the benefit of free banking for one year which has a cost which is shared by other small consumers of the licensee who do not opt or are not in a position to install SPV plants....."

As such this suggestion should not be accepted.

- (ii) Regarding objector's suggestions that there should not be any fixed charges, PSPCL submitted that as per Net Metering Regulations, fixed charges are payable by the prosumers. Further, PSPCL has to set up the network for working of solar plant of these prosumers who also enjoy the benefits of free banking of power so they have to bear the fixed charges.

The other suggestions of the objectors are not discussed in this order since these do not relate to the present petition.

The Commission has gone through the suggestions of the objectors and response of PSPCL. The Solar SPV plants are set up primarily for own consumption but due to variable nature of generation from such sources, the prosumers are allowed to bank the surplus power in the grid to be used subsequently. Thus, the grid is used as a battery which not only creates system operation problems but would also have serious impact on the finances of the licensee resulting in additional burden on other consumers. Thus, reasonable conditions such as settlement period, capping of maximum solar generation during the settlement period etc. have to be imposed to protect the legitimate interests of all the stakeholders. The prosumer is also a consumer of the distribution licensee for which a distribution system is provided to cater to the sanctioned load. The licensee also maintains this distribution system which is also used to absorb power injected by the prosumer who have set up the Rooftop SPV system. The licensee has to incur expenditure on these activities which are recoverable from the consumers. So fixed charges cannot be waived off. The suggestions of the objector to relax these conditions cannot be accepted.

The Commission in its order dated 05.02.2024 pointed out that PSPCL has sought amendment in the settlement period only for three categories of seasonal industries whereas as per Condition 18.2 of the General Conditions of Tariff of the Tariff Order for FY 2023-24, six industries have been approved as seasonal industries. PSPCL was asked to explain the reason for not including the other seasonal industries for applicability of the proposed settlement period. PSPCL was also directed to explain as to how the energy accounting and settlement in respect of seasonal industrial consumers who had set up Rooftop SPV Systems under the existing regulations would be governed for the current settlement period. PSPCL vide CE/ARR&TR memo no.5252 dated 16.02.2024 submitted that since the proposal from only the three industries covered under seasonal industry category was received for change in settlement period, only those three industries were included in the proposal. Further, the seasonal period of Maize Dryer Plants and Food Processing Industries had not been defined so it could not be ascertained as to whether the change in settlement period would be useful to such consumers. With regard to the Kinnow Grading and Waxing Centers, PSPCL submitted that if the Commission changed the settlement period of that industry, they would have no objection to it. Since the seasonal period of the Kinnow Grading and Waxing Centers coincides with that of cotton ginning, pressing plants and rice sheller industry, so there is no reason to deny the same benefit to these consumers. **Thus, the Commission decides to amend the settlement period for all cotton ginning, pressing and baling plants, all rice shellers, all rice bran stabilization units (without T.G. Sets), Kinnow Grading and Waxing Centers industrial consumers covered under**

seasonal industrial category as per condition 18.2 of the General Conditions of Tariff to 1st April to 31st March of next year.

Regarding energy accounting and settlement of existing seasonal industry consumers, PSPCL has proposed the following three options and recommended that the second option is the most practical;

1. The settlement period which already stood completed on 30.09.2023 may be extended till 31.03.2024. However, PSPCL submitted that the foregoing option cannot be implemented as billing for this period has already been completed as per the existing settlement period.
2. The settlement period which is to end on 30.09.2024 may be preponed to 31.03.2024. PSPCL recommended this option as most of solar generation during this period would have already been utilized by seasonal industry consumers and net consumption would more or less be zero.
3. The settlement period which is to end on 30.09.2024 may be extended to 31.03.2025. PSPCL submitted that this would increase the time period for implementation so it is not recommended.

However, the suggestion of PSPCL to curtail the ongoing settlement period which had started from 1st October 2023 and is to end on 30th September 2024 to 31st March, 2024 with respect to existing seasonal industrial consumers who have set up Rooftop SPV system under existing Regulations is not acceptable as it may be detrimental to some of these consumers. **Thus, to protect the interest of these consumers, the Commission decides that the ongoing settlement period with respect to seasonal industrial**

consumers who had set up Rooftop SPV Systems under the existing regulations which had started from 1st October 2023 and is to end on 30th September 2024 shall be extended to 31st March, 2025.

The Commission approves the amendments in Punjab State Electricity Regulatory Commission (Grid Interactive Rooftop Solar Photo Voltaic Systems) Regulations, 2021 as proposed by PSPCL with modifications as discussed above.

The petition is disposed of accordingly.

Sd/-

**(Paramjeet Singh)
Member**

Sd/-

**(Viswajeet Khanna)
Chairperson**

Chandigarh

Dated: 11.03.2024