

No. 23/12/2016-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 23rd November, 2021

ORDER

Subject: Waiver of inter-state transmission charges on transmission of the electricity generated from solar and wind sources of energy under Para 6.4(6) of the Tariff Policy, 2016.

- 1.0 In exercise of the powers conferred under section 3(3) of Electricity Act, 2003, the Central Government notified the revised Tariff Policy on 28.01.2016.
- 2.0 In accordance with the Para 6.4(6) of the Tariff Policy 2016, Ministry of Power issued Order No. 23/12/2016-R&R dated 30.09.2016 on waiver of inter-state transmission charges on transmission of the electricity generated from solar and wind sources of energy. This order was amended vide orders dated 14.06.2017, 13.02.2018, 06.11.2019, 05.08.2020, 15.01.2021 and 21.06.2021.
- 3.0 With a view to encourage faster capacity addition based on solar or wind energy sources, in supersession of aforesaid orders and in accordance with para 6.4 (6) of the Tariff Policy, 2016 and sub-rule 12 of rule 5 of the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021, the following are notified:
 - 3.1 For the solar, wind, Hydro PSP and BESS Projects commissioned upto 30.06.2025, the waiver of inter-state transmission charges shall be applicable for the following:
 - (i) Solar or wind energy generation set up by any person/entity. The power generated from such sources can be self consumed or sold to any entity either through competitive bidding, Power Exchange or through bilateral agreement.
 - (ii) Electricity from solar and/or wind sources used by Hydro Pumped Storage Plant (PSP) and Battery Energy Storage System (BESS) projects and subject to the following conditions:
 - (a) atleast 51% of the annual electricity requirement for pumping of water in the Hydro Pumped Storage Plant is met by use of electricity generated from solar and/or wind power plants.
 - (b) atleast 51% the annual electricity requirement for charging of the Battery Energy Storage System is met by use of electricity generated from solar and/or wind power plants.

- (iii) Electricity generated / supplied from such Hydro PSP and BESS power plants as mentioned in (ii) above.
- (iv) For trading of electricity generated/supplied from solar, wind and sources mentioned in (ii) and (iii) above, in Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) are upto 30.06.2025.
- (v) For Green Hydrogen production plants commissioned upto 30.06.2025. i.e Hydrogen produced using the electricity produced from solar, wind and sources mentioned in (ii) and (iii) above. This waiver shall be applicable for a period of 8 years from the date of commissioning of such hydrogen plant.
- (vi) For the power generated from solar and wind energy as per RE bundling scheme issued by Ministry of Power on 16.11.2021. Provided that the evacuation of this solar and/or wind power is being made from the main substation of the Thermal/Hydro power plant and this does not lead to any additional cost in augmentation of transmission system.

Further, no transmission charges for use of Inter State Transmission System (ISTS) shall be levied, when solar and/or wind power from power plant situated at one Thermal/Hydro Generating Station is supplying to procurers of another Generating Station, of the same Generating Company, located at a different location.

3.2 In order to have long term visibility and certainty to the renewable power generation, it is also provided that ISTS charges shall be levied for the solar, wind, Hydro PSP and BESS Projects commissioned after 30.06.2025, gradually as per following trajectory:

| S.No. | Period of Commissioning | Inter-State Transmission Charges |
|-------|--------------------------|-------------------------------------|
| 1 | 01.07.2025 to 30.06.2026 | 25 % of the applicable ISTS charges |
| 2 | 01.07.2026 to 30.06.2027 | 50% of the applicable ISTS charges |
| 3 | 01.07.2027 to 30.06.2028 | 75% of the applicable ISTS charges |
| 4 | From 01.07.2028 | 100% of the applicable ISTS charges |

4.0 The waiver shall be applicable, for a period of 25 years for solar, wind and Hydro PSP or for a period of 12 years for BESS or for a period subsequently notified for future projects by the Central Government, from the date of commissioning of the power plant.

5.0 It is also clarified that waiver is allowed for Inter-state transmission charges only and not losses. However, it is clarified that waiver of losses shall be applicable for the projects whose bidding was completed upto 15.01.2021.



6.0 This order shall be applied prospectively i.e. from the date of issue of order.

7.0 This issues with the approval of Minister for Power and NRE.



(Ghanshyam Prasad)
Joint Secretary to the Govt. of India
Tel: 2371 0389

To

Secretary, CERC, New Delhi.

Copy to:

1. Secretary, MNRE, New Delhi.
2. Chairperson, Central Electricity Authority, New Delhi.
3. Secretary in charge, Power/Energy Dept., State Governments/UTs.
4. Secretary, State Electricity Regulatory Commissions/Joint Electricity Regulatory Commissions.

Copy for information to:

1. PS to Minister for Power and NRE, APS to MoSP.
2. Joint Secretaries/Chief Engineer/Economic Adviser, Ministry of Power.
3. Sr. PPS to Secretary (Power), PPS to AS (SKGR), PPS to AS (VKD), Sr. PPS to JS (R&R)