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# **OPEN ACCESS DIRECTIVE**

*This Directive has been prepared by the Commission in line with the provisions set forth in the "General Network Access Framework" issued by the Ministry of Energy, Water Resources, and Irrigation (MoEWRI, Government of Nepal).*

**Electricity Regulatory Commission (ERC) of Nepal**

**JUNE, 2025**



**LIST OF ABBREVIATIONS**

AFC – Annual Fixed Cost

ARR – Annual Revenue Requirement

ASC – Additional Surcharge

CPP – Captive Power Plant

CSS – Cross Subsidy Surcharge

DSM – Deviation Settlement Mechanism

GNA – General Network Access

LDC – Load Despatch Centre

LTOA – Long Term Open Access

MTOA – Medium Term Open Access

MVA – Mega Volt-Amperes

MW – Mega Watt

NEA – Nepal Electricity Authority

OA – Open Access

PPA – Power Purchase Agreement

PSOD – Power System Operation Department

STOA – Short Term Open Access

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The Electricity Regulatory Commission of Nepal, exercising the powers conferred to it by sections 14(e), 14(j) and 43 of the Electricity Regulatory Commission Act, 2074 (2017 AD) has enacted the following Directives, which shall come into effect from the date to be notified by the Commission separately.

## **I. SHORT TITLE AND COMMENCEMENT**

- I.1 These Directives shall be called as “Electricity Regulatory Commission (Open Access) Directives, 2082 (2025 AD)”.
- I.2 These Directives shall apply in relation to all matters falling within the jurisdiction of the Commission under sections 14(e), 14(j) of the Electricity Regulatory Commission Act, 2074 (2017 AD).
- I.3 These Directives have been issued by the Commission following the provisions set forth in Chapter 5, Section 5.1.1 of the "General Network Access Framework" issued by the Ministry of Energy, Water Resources, and Irrigation (MoEWRI).
- I.4 These Directives shall come into force from the date to be notified by the Commission separately.

## **2. DEFINITIONS AND INTERPRETATIONS**

- 2.1. Unless the subject or context otherwise requires, in these Directives:
  - a) “Act” means the Electricity Regulatory Commission Act, 2074 (2017 AD).
  - b) “Accounting Month” means the period between starting day and ending day (both included) of each month as per Nepalese Calender.
  - c) “Applicant for Open Access” means the entity covered under Directive 4 of the Open Access Directive 2082 (2025 AD).
  - d) “Available Capacity” means the capacity available in Transmission and/or Distribution system for grant of Transmission and/or Distribution Open Access as assessed by the Nodal Agency.
  - e) “Captive Generating Power Plant” (CPP) means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any cooperative society or association of people for generating electricity primarily for the use of members of such cooperative society or association. A generating plant to be eligible to be a CPP has to satisfy the criteria set up by the Commission.
  - f) “Commission” means the Electricity Regulatory Commission (ERC) formed under the Electricity Regulatory Commission Act, 2074 (2017 AD).
  - g) “Contract Demand” means the demand in kilovolt ampere (“kVA”) or megavolt ampere (“MVA”) as mutually agreed between the Distribution Licensee and the Consumer in the agreement for supply of electricity or through other written agreement.
  - h) “Cross Border Electricity Trade” means transactions involving import or export of electricity between entities in Nepal and any of the other countries.
  - i) “Day” means a day starting from 00:00 hours and ending at 24:00 hours.
  - j) “Detailed Procedure” means the Detailed Procedure for open access, prepared by the Nodal Agency and approved by the Commission.
  - k) “Deviation Settlement Mechanism” means a Framework defined by the Commission which establishes charges and penalties for deviations from scheduled electricity injection or drawl.
  - l) “Distribution Charges” or “Wheeling Charges” means the charges payable by an Open Access Customer for use of the Distribution System.

- m) “Distribution Licensee” means a person who has been granted license to distribute electricity as per the provisions of the Electricity Act, 2049 (1992 AD) and the Electricity Rules 2050 (1993 AD).
- n) “Distribution Losses” or “Wheeling Losses” means the difference between the energy that enters the Distribution System and the energy that exits it, expressed as a percentage of input energy.
- o) “Distribution System” means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers in Nepal.
- p) “Drawal Point” means the point where electricity is drawn from the transmission or distribution system.
- q) “Effective date of implementation” means the date notified by the Commission for implementation of this Open Access Directive
- r) “Electricity Act” means the Electricity Act 2049 (1992 AD).
- s) “Grid Code” means Nepal Grid Code, 2080 (2023) issued by the Commission.
- t) “Generating Company” means a company responsible for generation of electricity licensed under the prevailing law of Government of Nepal.
- u) “Injection Point” means the point of injection of power in the transmission or distribution system.
- v) “Long-term Open Access” or “LTOA” means the right to use the Transmission and/or Distribution System for a period exceeding five years but not exceeding the PPA period.
- w) “Medium-Term Open Access” or “MTOA” means the right to use the Transmission and/or Distribution System for a period exceeding one year but not exceeding five years.
- x) “Ministry” means the Ministry of Energy, Water Resources, and Irrigation (MoEWRI) of Government of Nepal.
- y) “Nodal Agency” means system operator, or the body designated by the Government of Nepal. For the time being, the Power System Operation Department (PSOD) of NEA shall act as the Nodal Agency as specified in Clause 6 of this Directive.
- z) “Open Access” means the non-discriminatory provision for the use of transmission system and/or distribution system or associated facilities with such lines or system by an Applicant for Open Access in accordance with the Directives specified by the Commission.
- aa) “Open Access Agreement”, means an agreement signed between the open access applicant(s), and the entity granting open access.
- bb) “Open Access Charges” means the charges levied by the system operator and/or Transmission Utility and/or Distribution Utility for grant of Open Access determined by the Commission.
- cc) “Open Access Consumer”, hereafter referred to as the Consumer, means a consumer permitted by the Commission to receive supply of electricity through open access from a person, other than distribution licensee of his area of supply.
- dd) “Open Access Customer” means a person using or intending to use the transmission system and/or the distribution system of the licensee(s) for receiving supply of electricity from a person other than the distribution licensee of his area of supply and the expression includes a generating company, licensee and captive users.
- ee) “Short-term Open Access” or “STOA” means the right to use the Transmission and/or Distribution System for a period up to one year.

- ff) “Sources” means Licensed Generating Plants or Stations including captive generating plants, Trading Licensees, Power Exchanges, Distribution Licensees, and any other source or a combination thereof as approved by the Commission.
  - gg) “Special Energy Meters” means a meter that shall be capable of time differentiated measurements of active energy and voltage differentiated measurements of reactive energy as specified by system operator.
  - hh) “Stand By Charges” means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumer is unable to procure power from the generating sources with whom they have the agreements to procure power due to outages of generator, transmission assets and alike.
  - ii) “Stand-by Power” means the backup power for an Open Access Consumer in case it is unable to obtain the required power from the Open Access Source.
  - jj) “Surcharges” means the charges that is recovered from the open access consumers, to compensate the utility for loss of cross-subsidy and for compensation towards recovery of stranded generation costs of utility as determined by the Commission.
  - kk) “System Operator” means an entity designated by Government of Nepal
  - ll) “Time Block” means the time block of 15-minutes each for which Special Energy Meters record specified electrical parameters and quantities, with the first such period starting at 00:00 hours. It is the smallest unit of time which shall be used for scheduling and accounting purposes and shall be in accordance with the Grid Code approved by the Commission.
  - mm) “Transmission Charges” means the charges payable by Open Access Customers for use of the Transmission System as determined by the Commission.
  - nn) “Transmission Losses” means the difference between energy that enters the Transmission System and the energy that exits it expressed as a percentage of the input energy.
  - oo) “Transmission System” means the system in place for transmission of electricity within or across the territory of Nepal built, owned, operated, maintained, or controlled by a licensed entity /Transmission Utility. This shall include transmission lines, substations, control and monitoring and associated infrastructure and equipment.
  - pp) “Working Day” means a day on which banks are open for business.
  - qq) “Year” means the Nepali Financial Year.
- 2.3 Words and expressions occurring in these Directives and not defined herein above shall bear the same meaning assigned to them in the Act.

In case there is any conflict between the terms defined in the Act and the terms defined in these Directives, the terms and conditions of the Act shall prevail.

### **3. SCOPE AND EXTENT OF APPLICATION**

These Directives shall apply to Open Access for use of the Transmission System (66kV and above) and Distribution System (at 33KV grid-substation), subject to limit as provided in section 4.1(c) any applicable Rules/Guidelines framed by the Government of Nepal from time to time.

### **4. ELIGIBILITY FOR APPLICATION**

- 4.1. The following entities shall be eligible to apply for Open Access:



- a) A licensed generating company which owns or operates, or intends to own or operate a generating station in the country with installed capacity of 5 MW and above and connected to Transmission System (66 kV and above) or Distribution System (at 33KV grid-substation) ; or
- b) Captive Power Plant with minimum open access requirement of 1 MW at a voltage level of 11KV & above; or
- c) An industrial or commercial consumer having Contract Demand of 5 MW and above and connected at voltage level of 33kV and above; or
- d) A distribution licensee; or
- e) A trading licensee

Provided that the minimum quantum for Open Access transaction shall be 1 MW.

Provided further that for clause (c), for the purpose of unit conversion from MVA to MW, the unity power factor shall be considered.

4.2. Eligibility of various entities to seek Open Access for the purpose of Cross Border Electricity Trade (CBET) shall be governed by the followings:

- (i) Open Access for the export of electricity shall be allowed only if the generation of electricity is expected to exceed the national domestic demand for electricity. The exception to this condition would be under the following cases: (a) Export of electricity by export oriented generating stations built pursuant to a license issued by the Government of Nepal, (b) export of electricity by Nepal Electricity Authority or (c) export of electricity by reason of national interests.
- (ii) Government of Nepal or a body designated by the Government of Nepal or the Commission shall be the approving authority for export/ import of electricity under this guideline. The reference timeframe for calculation of adequacy in domestic market shall be decided on a case-by-case manner by the approving authority.
- (iii) Open Access for import of electricity shall be allowed only if the domestic demand for electricity is expected to exceed the national domestic generation supply of electricity except in case of import of electricity by Nepal Electricity Authority or import of electricity by reason of national interest.
- (iv) Entities may import / export power subject to legal requirements of the Electricity Act, 2049 (1992 AD) and any other relevant Act and Rules framed by the Ministry and Directives or Orders issued by the Commission.
- (v) The minimum volume for which Open Access is sought to undertake CBET shall be 10 MW.

## **5. CATEGORIZATION OF OPEN ACCESS CUSTOMERS**

- 5.1. Open Access customers shall be divided into three categories, based on the duration of use of the Transmission System and/or the Distribution System, namely:
- a) Long-Term Open Access (LTOA) which shall be for a period of longer than 5 years but not exceeding the PPA period,
  - b) Medium-Term Open Access (MTOA) which shall be for a period of longer than 1 year, and up to 5 years
  - c) Short-Term Open Access (STOA) which shall be for a period up to 1 year. The Minimum period for availing STOA is 24 hours (i.e. 1 day).

## **6. NODAL AGENCY**

Power System Operation Department (PSOD) of Nepal Electricity Authority (NEA) shall work as the Nodal Agency for receiving, processing, granting and settlement of open access transaction for all categories of Open Access Customers

Provided that the Government of Nepal may redesignate any other entity or licensee as Nodal Agency for a specific category or all categories of Open Access customers.

## **7. ALLOTMENT PRIORITIES**

- 7.1. The priority for allowing Open Access shall be decided on the criteria that the Long-Term Open Access (LTOA) applicants shall be given the highest priority followed by Medium-Term Open Access (MTOA) and the Short-Term Open Access (STOA) applicants.
- 7.2. Among each category of the open access applicants, the priority shall be on First Come First Served (FCFS) basis.

7.3.

7.3.1 The Open Access shall be allowed only after determining the capacity available in the Transmission System and/or Distribution System.

Provided further that a Distribution Licensee applying for Open Access to supply power to the consumers in its distribution area shall be accorded highest priority for Open Access.

7.3.2 No open access transaction shall be allowed without signing the open access agreement and complying fully with other requirements as per this Open Access Directive.

## **8. METERING AND COMMUNICATION**

- (i) The open access customer shall install meters (main and check) at all the points of injection and drawal of power. The meters shall be tested by the licensee in the presence of OA Customer.
- (ii) The term 'meter' shall also include current transformer, voltage/potential transformer, wiring between them and the meters/panels.
- (iii) The cost of the meters and the cost of necessary testing/calibration shall be borne by the open access customer or the licensee as per the connectivity agreement.
- (iv) The specification, the manner of installation, maintenance and operation shall be as per the separate Directive to be issued by the Commission.
- (v) The Main and Check Meters shall be periodically tested and calibrated by the licensee in presence of the authorized representative of the open access customer.
- (vi) The Main and Check Meters shall be jointly sealed by both the parties.
- (vii) The Main and Check Meters shall of smart type and have the facility to store 15 minutes/ 5 minutes time block data for a period of at least 45 days and shall be able to communicate and interface with LDC on real time basis.
- (viii) In case any Main Meter is found to be defective, readings of the Check Meters shall be considered for operational as well as accounting purposes and no dispute whatsoever shall be entertained in this respect.
- (ix) Defective meters shall be replaced by the licensee in the presence of OA Customer and the replacement cost of which shall be borne by the open access customer.
- (x) Main and check meter shall be read at the beginning and end of each accounting month in presence of the authorized representatives of both the licensee and the open access customer. The readings so taken shall be forwarded by the licensee to Nodal Agency, transmission utility, distribution licensee, traders(if applicable), open access customer etc. within 48 hours.
- (xi) The open access customer shall provide necessary data and voice communication facility to LDC as per the Detailed Procedure prepared by Nodal Agency and approved by the Commission.
- (xii) The open access customer shall set up a round-the-clock control room for facilitating communication with the LDC. The telephone number, email ID, etc. of the control room shall be shared with LDC.

## **9. CURTAILMENT PRIORITY**

- 9.1. In the event of constraints in transmission and/or distribution system, if it becomes necessary to curtail the approved quantum of open access, the STOA customers who have been granted open access shall be curtailed first followed by the MTOA and LTOA customers.

Provided, within that category, the open access customers who have been granted open access shall be curtailed on pro-rata basis

Provided further that, in case of such curtailment, the transmission charge and/or wheeling charges to be paid by customers shall be reduced in proportion to their curtailed capacity.

- 9.2 The instructions for curtailment issued by LDC shall be effective after two time blocks considering the time of issue of instruction by LDC as the first time block

Provided that, in case of an emergent situation, the instructions issued by LDC shall be complied with, without any delay;

Provided further that no question regarding the rationality of LDC instruction on curtailment shall be raised with LDC.

Provided further that an aggrieved customer may approach the Grievance Redressal Committee constituted by the Commission for redressal of grievances following the established procedure.

## **10. DETERMINATION OF CAPACITY**

### **10.1 FOR LTOA APPLICANT:**

In the event of insufficient spare capacity in distribution system / congestion in the transmission system hindering accommodation of all LTOAs, the Nodal Agency shall inform the applicants of the same and shall advise the concerned licensee(s) to carry out an assessment of works required to create additional capacity by strengthening of the system to accommodate such applicant(s). After completion of such works, the Nodal Agency shall allot the capacity to such applicant(s). As regards capital expenditure incurred by the licensee(s) for system-strengthening, the licensee(s) may require a capital contribution from the applicant(s).

### **10.2 FOR MTOA APPLICANT:**

The Nodal Agency shall, in consultation and through coordination with transmission and/or the distribution licensee(s) concerned and based on the system studies of the licensee(s) concerned, if required, assess the capacity available for MTOA application. MTOA shall be granted if the resultant power flow can be accommodated in the existing transmission/distribution system or transmission/distribution system under execution. No augmentation of transmission/distribution system is envisaged for granting MTOA. Construction of dedicated transmission line shall not be construed as augmentation of transmission system for this purpose. If the Nodal Agency finds that the MTOA cannot be

accorded to the applicant, the same shall be communicated to the applicant within twenty one (21) days from the date of receiving of the application along with reasons in details which shall include detailed justification, load flow study reports in detail and all backup calculations with regard to non-availability of the concerned assets required for MTOA.

### **10.3 FOR STOA APPLICANT**

Nodal Agency, in co-ordination with transmission and distribution licensees, shall assess the capacity that can be allotted for STOA transaction. The principle of allotment shall be as per the methodology given in this Directive.

## **11. PROCEDURE OF APPLICATION FOR LTOA**

11.1 Nodal Agency shall make available the application form for LTOA to the general public in physical form at its offices as well as in electronic printable form at its website. The application to the Nodal Agency for grant of LTOA shall be made in the format provided in Detailed Procedure.

11.2 An application for LTOA shall be filed with the Nodal Agency by the applicant, with a copy to the concerned transmission/distribution licensee(s). The application shall be accompanied by a non-refundable application fee as prescribed by the Commission from time to time.

11.3 Provided that, till such time the Application fee is so prescribed by the Commission, it shall be NPR 50,000/- (Rupees Fifty Thousand) plus applicable taxes (if any) for application of OA capacity of 5 MW & below and it shall be NPR 1,00,000/- (Rupees One lakh) plus applicable taxes (if any) for each application for OA capacity above 5 MW.

11.4 The Nodal Agency shall acknowledge the receipt of an application within twenty-four (24) hours of the receipt of the application.

11.5 If, after submission of the LTOA application, the applicant becomes aware of any material alteration in the information contained in the application, the applicant shall promptly notify the Nodal Agency of the same

Provided that, in case Nodal Agency is made aware of the material alteration in the information contained in the application already submitted under clause, the Nodal Agency shall treat the application as if the same was received on the date the applicant notifies it of the said alteration.

11.6 Based on system studies conducted in consultation with other agencies involved including other licensee(s), if it is determined that LTOA sought can be allowed in the existing system without any-strengthening, the Nodal Agency shall, within sixty (60) days of date of receipt of application, intimate the applicant(s) of the same.

If, on the basis of the results of system studies, the Nodal Agency is of the opinion that the LTOA sought cannot be allowed without further system-strengthening,

Nodal Agency shall notify the applicant of the same within sixty (60) days of date of receipt of application. Thereafter, at the request of the applicant, which shall be made within twenty one (21) days of such notification by the Nodal Agency, the Nodal Agency shall carry out further studies, if required, to identify the scope of works involved and intimate the same to applicant within thirty (30) days of receipt of such request from the applicant. The Nodal Agency shall also inform the applicant of the probable time frame and estimated cost involved for execution of the works after consultation with the concerned licensee(s).

Provided that in such cases, the applicant shall fully reimburse the Nodal Agency for actual expenditure incurred to carry out such further system studies to identify the scope of works involved in system-strengthening. The Application fee paid for such further system studies by the applicant shall be adjusted against the actual expenditure to be reimbursed by the applicant.

11.8 The Nodal Agency shall convey its decision to grant or refuse LTOA within sixty (60) days from date of receipt of initial application if system augmentation is not required or One hundred and eighty (180) days from date of receipt of initial application if system augmentation is required:

Provided that, in case LTOA is not granted, the same shall be intimated within the above time furnishing the reasons in writing and also the probable date from which the LTOA can be granted.

Provided further that, in case the Nodal Agency fails to intimate the grant of LTOA or otherwise, within the above specified time for reasons beyond its control, the Nodal Agency shall approach the Commission through a petition for extension of the time giving details therein.

## **12. PROCEDURE OF APPLICATION FOR MTOA**

12.1 Nodal Agency shall make available the application form for MTOA to the general public in physical form at its offices as well as in electronic printable form at its website and the application to the Nodal Agency for grant of MTOA shall be made in the format provided.

12.2 An application for MTOA shall be filed with the Nodal Agency by the applicant, with a copy to the concerned transmission/distribution licensee(s). The application shall be accompanied by a non-refundable application fee as prescribed by the Commission from time to time.

Provided that, till such time the application fee is so prescribed by the Commission, it shall be NPR 25,000/- (Rupees Twenty Five Thousand) plus applicable taxes (if any) for application of OA capacity of 5 MW & below and it shall be NPR 50,000/- (Rupees Fifty Thousand) plus applicable taxes (if any) for each application for OA capacity above 5 MW.

12.3 Nodal Agency shall acknowledge the receipt of an application made within twenty-four (24) hours of the receipt of the application.

12.4 If after submission of MTOA application, the applicant becomes aware of any material alteration in the information contained in the application, the applicant shall promptly notify the Nodal Agency of the same

Provided that, in case the Nodal Agency is made aware of the material alteration in the information contained in the application already submitted under clause 12.3, the NODAL AGENCY shall treat the application as if the same was received on the date the applicant notifies it of the said alteration.

12.5 Upon receipt of the Application for MTOA, the Nodal Agency shall, in consultation and through coordination with transmission and/or the distribution licensee(s) concerned, and based on the system studies of the licensee(s) concerned, if required, assess the capacity available for MTOA application.

12.6 MTOA shall be granted if the resultant power flow can be accommodated in the existing transmission/distribution system or transmission/distribution system under execution. No augmentation of transmission/distribution system is envisaged for granting MTOA. Construction of dedicated transmission line shall not be construed as augmentation of transmission system for this purpose.

12.7 In case of MTOA, the Nodal Agency shall give consent to the applicant with a copy to the transmission licensee within thirty (30) days of date of receipt of application:

12.8 If the Nodal Agency finds that the MTOA cannot be accorded to the applicant, the same is to be communicated to the applicant within thirty (30) days from the date of receiving the application along with reasons in details which shall include detailed justification, load flow study reports in detail and all backup calculations with regard to non-availability of the concerned assets required for the MTOA.

12.9 The Nodal Agency shall convey its decision to grant or refuse MTOA within thirty (30) days from date of receipt of application

Provided that, in case MTOA is not granted, the same shall be intimated within the above time furnishing the reasons in writing and also the probable date from which the MTOA can be granted:

Provided further that, in case the Nodal Agency fails to intimate the grant of MTOA or otherwise, within the above specified time for reasons beyond its control, the Nodal Agency shall approach the Commission through a petition for extension of the time giving details therein.

### **13. PROCEDURE OF APPLICATION FOR STOA**

13.1 NODAL AGENCY shall make available the format of application to the general public in physical form at its office as well as in electronic printable form at its website.

The application for STOA to transmission and/or distribution system(s) shall be filed with Nodal Agency with copies to concerned licensees. The application shall be accompanied by a non-refundable application fee as prescribed by the Commission in the Tariff Orders, or otherwise, from time to time:

Provided that till such time the application fee is so prescribed by the Commission, it shall be NPR5,000/- ( five thousand) plus applicable taxes (if any):

13.2 The Nodal Agency shall process the applications for STOA within the following time limits

<b>Duration for which open access is required</b>	<b>Maximum processing time by NODAL AGENCY</b>
Up to One (1) day	Twenty Four (24) hours
Up to One (1) week	Two (2) working days
Up to One (1) month	Seven (7) working days
More than One Month upto 1 year	Ten(10) working days

#### **14. FLEXIBILITY TO CHANGE INJECTION AND DRAWAL POINTS**

14.1 The long-term and medium-term customers shall have the flexibility to change injection and/or drawal points twice a year subject to the results of system impact studies to be carried out by the concerned licensee(s) at the behest of such customers. All expenses incurred by the licensee(s) to carry out such studies shall be reimbursed in full by such customers.

14.2 A short-term customer cannot change injection and/or drawal points as granted in the approval.

14.3 Applicable time period for application processing for change in drawl/injection point shall be same as the application processing time for LTOA/MTOA.

#### **15. NON UTILISATION/UNDER UTILISATION AND RELINQUISHMENT OF OPEN ACCESS CAPACITY**

15.1 If an open access customer, irrespective of the period of open access agreement, is unable to utilise part or full of the open access capacity granted to him, it shall inform the Nodal Agency accordingly giving reasons for the underutilisation/ non-utilisation.

15.2 If Nodal Agency finds that an open access customer is consistently under-utilising/ non-utilising the open access capacity so granted, it can issue a notice of 15 days for asking the open access customer to explain the reason for consistent under-utilisation/ non-utilisation of open access granted.



15.3 An open access customer shall not be allowed to transfer a part or full of the underutilised transmission capacity to another entity.

15.4 A STOA customer shall not be allowed to relinquish partly or fully the quantum of open access granted and shall continue to bear full transmission and/ or distribution charges based on the original reserved capacity.

15.5 An MTOA customer shall have the right to relinquish partly or fully the quantum of open access granted by giving 30 days of prior notice to Nodal Agency and by making upfront payment of transmission and/or wheeling charges for 30 days or the period of relinquishment whichever is lower.

15.6 A LTOA customer shall have the right to relinquish partly or fully the quantum of Open Access granted by giving a notice of one year to Nodal Agency and by making an upfront payment of 66% of the transmission and/or wheeling charges for the relinquished quantum for the period of relinquishment.

15.7 Transfer of rights and obligations except by way of change of ownership irrespective of the period of open access by an open access customer shall be prohibited.

Provided that in case of transfer of ownership of the licensee/consumer, all liability shall be deemed to have been transferred to the entity acquiring the previous establishment.

## **16. OPEN ACCESS AGREEMENT**

An open access customer who has been permitted open access shall enter into a bipartite/ tripartite/multi-party agreement with transmission and/or distribution licensee as per the provisions made in the Detailed Procedure to be formulated by Nodal Agency and approved by the Commission. The Open Access Agreement shall contain the followings:

- i) Point of Injection
- ii) Point of drawal
- iii) Quantum of power
- iv) Duration of open access
- v) Requirement of back- up power and duration
- vi) Payment of Transmission Charges, Wheeling Charges, Cross Subsidy Charges, Additional Surcharge, Back-up power charges, scheduling charges, Reactive Energy Charges etc.
- vii) Mode of Payment of Charges
- viii) Security Charges
- ix) Metering of injection and drawal of energy

- x) Methods of Meter reading , Accounting and settlement
- xi) Compliance of Grid Code
- xii) Compliance of Directives of Nodal Agency and LDC
- xiii) Creation of Assets for open access transaction
- xiv) Any other issue considered relevant by the Nodal Agency

Nodal Agency shall prepare the agreement format for Long-term, Medium-term and Short-term Open Access customers in consultation with transmission licensee and/or distribution licensee and such standard format for Open Access Agreement shall be a part of the Detailed Procedure documents approved by the Commission.

No open access transaction shall be allowed without signing the open access agreement and complying fully other requirements as per this Open Access Directive.

## **17. DISPLAY OF INFORMATION ON CAPACITY AVAILABLE FOR OPEN ACCESS**

Nodal Agency shall display in its website the capacities available in transmission system and distribution system for different categories of open access. The data shall be updated daily. In addition, the Nodal Agency shall also display in its website the following details on a daily basis in a separate web-page titled “Open Access Information”:

- (a) All Directives issued by the Commission pertaining to Open Access;
- (b) The Detailed Procedure approved by the Commission;
- (c) A list of Open Access applications accepted by the Nodal Agency, to be displayed till the end of the month in which transactions are scheduled, indicating:
  - (i) Name of customers;
  - (ii) Period of the open access granted (start date and end date);
  - (iii) Point or points of injection;
  - (iv) Point or points of drawal;
  - (v) Transmission and/or Distribution systems used ;
  - (vi) Accepted schedule (MW) with start time and end time;

## **18. OPEN ACCESS CHARGES**

### **18.1 TRANSMISSION CHARGES**

Transmission charges are the charges payable by the customers of the transmission system to the transmission licensee for conveyance of electricity through transmission system. The

transmission charges shall be expressed in NPR/MW/Month for Long-Term and Medium-Term Open Access customers and in NPR/kWh for Short-Term Open Access customers. The transmission charges shall be calculated by the Commission for a particular financial year based on the approved ARR of the transmission licensee. Transmission charges for part of the month (which may occur at the beginning and/or end of medium-term and long-term open access transaction) shall be paid on pro-rata basis.

The Rate of Transmission Charges for Long Term Open Access/ Medium Term Open Access customers shall be determined as follows:

Rate of Transmission Charges in NPR/MW/Month =  $ARR / (\text{Projected Peak Load in MW in the Transmission System in the relevant year} \times 12)$

The Rate of Transmission Charges for Short Term Open Access Customers shall be computed as follows:

Rate of Transmission Charge in NPR/kWh =  $ARR / (\text{Projected Peak Load in MW} \times 8760 \times 1000)$

The Transmission Charges payable by STOA customer shall be based on the energy scheduled for open access during the accounting month.

The total charges payable by a STOA customer during an accounting month shall be computed as follows:

Transmission Charges = Rate of Transmission Charge for Open Access Customer (NPR/kWh)  $\times$  Total kWh scheduled during STOA in the accounting month.

NEA based on the latest approved ARR shall determine the Rate of Transmission Charges within 60 days of issuance of this Directive and submit it to Commission for approval.

Further, issue related to the treatment of transmission charges in respect of radial line and/or dedicated transmission system/ dedicated evacuation system created by a third party/ a government entity through competitive bidding or otherwise shall be dealt with by the Commission through a separate Directive.

## 18.2 WHEELING CHARGES

Wheeling charges are the charges payable by the customers of the distribution system to the distribution licensee for conveyance of electricity through distribution network. The Rate of Wheeling Charges shall be expressed for all categories of open access customers in NPR/kWh.

Wheeling charges shall be computed as follows:

Rate of Wheeling Charges (NPR/kWh) = Net Admissible Fixed Charges(in NPR) related to distribution for wheeling of power only/Total Energy( in kWh) wheeled through the distribution system.

Total Wheeling Charges payable by a Open Access Customer = Rate of Wheeling Charges (NPR/kWh) X Aggregate kWh scheduled during the accounting period for Open Access customer.

Consumers of the distribution system shall not pay the wheeling charges as it shall remain in-built in the approved tariff.

Provided further that where a dedicated distribution system used for open access has been constructed by the distribution licensee for exclusive use of an open access customer, the wheeling charges for such dedicated systems shall be worked out by distribution licensee for their respective systems and got approved by the Commission and shall be borne entirely by such open access customers till such time the surplus capacity is allotted and used for by other persons or purposes.

NEA based on the latest approved ARR shall determine the Wheeling Charges within 60 days of issuance of this Directive and submit it to Commission for approval.

### 18.3 DEVIATION SETTLEMENT CHARGES

Charges payable/receivable for deviation from schedule shall be accounted through Deviation Settlement Mechanism (DSM) for which the Commission shall issue a separate Directive.

### 18.4 CROSS SUBSIDY SURCHARGES

If open access facility is availed of by a subsidising consumer of a distribution licensee, then such consumer, in addition to transmission and/or wheeling charges, shall pay cross subsidy surcharge determined by the Commission from time to time.

Provided that Cross subsidy surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access consumers based on the energy scheduled during the month through open access.

The Cross Subsidy Surcharge shall be computed as follows:

Rate of Cross Subsidy Surcharge (NPR/kWh) = Tariff payable by the related category of consumers – Average Cost of Supply (ACS)

provided that the Cross Subsidy Surcharge shall not exceed 20% of Average Cost of Supply (ACS)

provided further that if the Cross Subsidy Surcharge comes as negative, this shall be treated as zero.

provided also that cross subsidy surcharge shall not be levied in case distribution access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use.

The amount of Cross Subsidy Surcharge to be paid by an Open Access Customer shall be based on the scheduled energy multiplied by the Rate of Cross Subsidy Surcharge.

The Rate of Cross Subsidy Surcharge shall be progressively reduced for an open access customer over different years in the manner to be decided by the Commission.

NEA based on the latest approved ARR shall determine the Cross-Subsidy Surcharge for different categories of consumers within 60 days of issuance of this Directive and submit it to Commission for approval.

## 18.5 ADDITIONAL SURCHARGE

In addition to the cross-subsidy surcharges, additional surcharges shall be payable by an open access customer to the concerned distribution licensee towards fixed cost of the distribution licensee arising out of its obligation to supply electricity.

Rate of Additional Surcharge in NPR/kWh shall be computed as follows:

Rate of Additional Surcharge (NPR/kWh) = (A+B-C)/D-E-F

where

A = Fixed Cost of Power Purchase including fixed cost of own generation and fixed cost of distribution and selling out of distribution licensee's obligation to supply power

B = Transmission and wheeling cost related to distribution licensee's obligation to supply

C = Cost recovered through demand charges from all consumers

D = Units sold

E = Rate of Wheeling Charges (NPR/kWh)

F = Rate of Cross Subsidy Surcharge (NPR/kWh)

NEA based on the latest approved ARR shall determine the Additional Surcharge for different categories of consumers within 60 days of issuance of this Directive and submit it to Commission for approval.

Additional Surcharge shall not be applicable to the captive consumer drawing power from its own Captive Power Plant.

Further a plant to be qualified as Captive Power Plant shall satisfy the criteria set by the Commission.

## 18.6 STAND-BY CHARGES

*Stand-by charges* means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumer is unable to procure power from the generating sources/traders with whom it has the agreements to procure power, due to outages of generator, transmission assets and the like.

The charges for maintaining stand-by arrangements for such consumers shall reflect the cost incurred by distribution licensee for providing these support services

Provided that, during the first two years from the date of implementation of Open Access Directive by the Commission, the charges applicable for this stand-by arrangement shall be 125% of the tariff of the category to which the open access customer belongs

Provided further that methodology of computation of Stand-By Charges after expiry of two years shall be spelt out by the Commission.

Each open access customer shall enter into a written agreement with the concerned distribution licensee for stand-by power/ back up power to insure against the failure of supply from open access sources.

#### 18.7 SCHEDULING CHARGES

The scheduling charges shall be paid to LDC by an open access customer for scheduling of open access transaction.

This shall be expressed in NPR/Day.

This shall be NPR 500/Day for the first two years from the effective date of implementation of Open Access Directive.

For LTOA and MTOA customers, the scheduling charges shall be paid to LDC based on the bill prepared by LDC at the end of each accounting period.

For STOA customers, the bill for scheduling shall be paid in advance before the commencement of STOA transaction.

#### 18.8 REACTIVE ENERGY CHARGES

These charges shall be payable for adverse deviation of voltage from the admissible voltage variation

Provided that during the first two years from the effective date of implementation of open access, no reactive energy charges shall be payable.

#### 18.9 OPERATION CHARGES

The Operation Charges shall be paid to LDC by an open access customer for operationalizing, monitoring and control of open access transaction. This shall be expressed in NPR/MW/Day.

For two years from the effective date of implementation of Open Access Directive, the Operational Charges per day for all categories of open access customers shall be NPR 50/MW/Day.

### 19. SPECIAL PROVISIONS FOR CPPs

CPPs availing open access for meeting its own load at a location different from that of the generating plant shall be exempted from paying the Cross-Subsidy Surcharges and Additional Surcharges provided it conclusively proves its status as CPP as on the date of application of open access. The criteria to be fulfilled for categorisation as CPP shall be separately issued by the Commission through a Directive.

## **20. TRANSMISSION LOSS AND DISTRIBUTION LOSS**

20.1. Based on the energy meter data, LDC shall compute the average monthly loss in respect of transmission system and distribution system. Difference between the input energy into and output energy from the transmission system in a month shall be considered as transmission loss. This loss when expressed as a percentage of input energy shall be considered as average transmission loss in a month. Similar methodology shall be followed for computation of the distribution loss in a month. While scheduling the open access transaction, LDC shall take into consideration the relevant loss of the preceding month. The average monthly applicable transmission losses for the transmission system and the distribution losses for distribution network based on relevant loss of preceding month shall be declared in advance and shall not be revised retrospectively.

Provided that, for the first six months from the effective date of implementation of Open Access Directive, the normative transmission loss and distribution loss as given in the latest tariff order by the Commission shall be considered for scheduling of open access transaction by LDC.

## **21. SCHEDULING AND ENERGY ACCOUNTING**

21.1. Scheduling of Open Access shall be done by LDC at the injection and drawal points considering relevant losses.

21.2. A draft Balancing and Settlement Code procedure shall be prepared by Nodal Agency in consultation with the transmission licensee(s) and distribution licensee(s) for scheduling, despatch, energy accounting and settlement system of open access transaction and shall be submitted to the Commission for approval.

## **22. PAYMENT TERMS AND CONDITIONS**

22.1. Based on the accounting statement issued by Nodal Agency for the accounting month, the concerned entity shall raise the bill on open access customers. Bill for transmission charges shall be raised by concerned transmission licensee. Bill for wheeling charges, cross-subsidy



charges, additional surcharge and stand-by charges shall be raised by the concerned distribution licensee. Bill for scheduling charges and operational charges shall be raised by LDC.

22.2. The open access customer shall ensure payment of the bills within ten(10) days from the date of issuance of such bills.

22.3. The open access charges received by LDC shall be adjusted against its ARR.

22.4. The open access charges received by transmission licensee and distribution licensee from short term and medium-term open access customers shall be adjusted against their respective ARRs.

### **23. PAYMENT SECURITY MECHANISM**

23.1. The long-term and medium-term open customers shall open an irrevocable LC equal to the estimated amount of all charges in favour of Nodal Agency for a period of three months. Alternatively, the open access customer can provide bank guarantee for the above amount.

23.2. Short-term customer shall make upfront payment of all open access charges except Deviation Settlement Charges for the allocated quantum of open access for the entire duration of short-term open access.

23.3. Charges for deviation settlement for all categories of open access customers shall be paid post-facto as per the accounting finalized by Nodal Agency.

23.4. Late payment surcharge @1.25% per month or part thereof shall be applicable.

23.5. In addition to the late payment surcharge, consistent default in making timely payment shall attract penal action as deemed fit by the Commission.

23.6. No open access shall be granted to an applicant if any charge remains outstanding as on the date of application for open access.

### **24. SUBMISSION OF MONTHLY REPORT BY NODAL AGENCY TO COMMISSION**

Nodal Agency shall submit a monthly report to the Commission giving the following details:

- i) Category-wise open access customers, quantum, duration, injection point and drawal points, different charges payable and actually paid etc.
- ii) Any observation/suggestion of Nodal Agency on further improvement in operationalization of open access.

### **25. CONNECTIVITY DIRECTIVES**

25.1. The Commission shall issue a separate order for matters related to grant of connectivity to the grid.

25.2. Whatsoever is written in 25.1, non-issuance of connectivity Directive by the Commission shall not limit the grant of open access.

## **26. DISPUTE RESOLUTION**

26.1. The complaints regarding all grievances and disputes relating to open access shall be made to the Grievance Redressal Committee set up by the Commission. The Committee shall investigate and endeavour to resolve the grievance amicably.

Provided that the grievance and /or dispute is not in respect of the interpretation of any of the provision of this Directive or any other Directive related to the operation of this Directive.

Provided further that if any grievance and or dispute is in respect of the interpretation of any of the provision of this Directive or any other Directive related to the operation of this Directive, the aggrieved entity can file appropriate petition before the Commission following the due procedure.

26.2. If the Open Access applicant is not satisfied with the resolution provided by the Grievance Redressal Committee, he may submit a petition before the Commission for dispute resolution following the due procedure.

## **27. TIMELINE FOR KEY ACTIONS**

27.1. Nodal Agency shall prepare and submit a Detailed Procedures for Open Access including Open Access Agreement formats for different categories of customers for the approval of Commission, within 120 days of publication of these Directives.

27.2. The Commission shall constitute a Grievance Redressal Committee for Open Access to address grievances of Open Access applicants and/or customers within 120 days of publication of these Directives. The Committee shall hold meetings to discuss the received grievances at least once in every three months. The Committee shall recommend Nodal Agencies to revise their decisions on Open Access, if required. The Committee may also prepare suggestions regarding modification of Open Access Procedures or Directives, if any and submit it to the Commission.

27.3. The Commission shall prepare a Balancing and Settlement Directive for scheduling, despatch, energy accounting and settlement system of open access transaction within 120 days of issuance of this Directive.

27.4. The Commission shall issue a separate Directive for Deviation Settlement Mechanism within 120 days of issuance of this Directive.

27.5. The Commission shall issue a separate Directive on the specification, the manner of installation, maintenance and operation of meters within 120 days from the issue of this Directive.

27.6. The Commission shall issue a separate Directive for connectivity to the grid within 120 days of issuance of this directive.

27.7. The Commission shall issue a separate Directive detailing the criteria to be fulfilled to be categorised as CPP.

27.8. The distribution licensee(s) and transmission licensee(s) shall segregate their respective system by putting necessary interface meters within 180 days of issuance of this Directive and the compliance therein shall be confirmed to the Commission.

## **28. POWER TO INTERVENE**

In case of any unethical practice or gaming by any person including an open access customer, through power injection, drawal and change of status, the Commission may, by order, issue necessary direction which shall be binding on all parties concerned.

## **29. POWER TO REMOVE DIFFICULTY**

If any difficulty arises in giving effect to any provision of this Directive, the Commission, through general or specific order, may direct the open access customers, Nodal Agency, transmission licensees, distribution licensees, generating company, CPP and traders to take action, not inconsistent with the Act, as may appear to the Commission to be necessary or expedient for the purpose of removal of difficulty.

## **30. POWER TO AMEND, REPEAL OR SAVING**

30.1. The Commission, at any point of time, through its own discretion or otherwise, may vary, alter, modify, amend, add any provision of this Directive through notifications after inviting suggestion and objections from the stakeholders.

30.2. Nothing in this Directive shall be deemed to limit the power of the Commission or otherwise affect the inherent power of the Commission to make such order as may be necessary for meeting ends of justice or to prevent abuse of the process of the Commission.

## **31. OTHER CONDITIONS**

31.1. The entities who have been granted Open Access shall abide by the Open Access Directive, Grid Code and other instructions issued or approved by the Commission from time to time.

31.2. Open access customer shall abide by the provisions of the Act, Rules and Directives and the Directions, Guidelines and Decisions of the Commission made from time to time.

31.3. The Nodal Agency shall maintain a monthly status report on open access applications received and processed, on their websites, in a separate webpage titled “Open Access Information”.

