

No. 12/07/2023-RCM
Government of India
Ministry of Power

Shram Shakti Bhawan, New Delhi,
Dated, the 29 May 2023

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 - Addendum reg.

In continuation to the Ministry of Power Orders No. 23/12/2016-R&R dated 23.11.2021, 30.11.2021, 01.12.2022 and 06.12.2022 on the waiver of Inter-State Transmission (ISTS) Charges on transmission of the electricity generated from solar and wind sources of energy, the following addendum is being issued.

2. Whereas it is deemed necessary to facilitate the execution of offshore wind energy initiatives, to promote the expansion of Green Hydrogen/Green Ammonia Projects, to promote development of Pump Storage Plants, and to encourage the off take of renewable energy from Energy Storage System Projects, it has been duly resolved that:

- a. Offshore wind power projects commissioned on or before 31.12.2032 and established via Power Purchase Agreements (PPAs) or under merchant basis, shall be granted exemption from the payment of Inter-State Transmission (ISTS) Charges for a period of 25 years, starting from the date of commissioning of the project. Further, the offshore wind power projects commissioned after 31.12.2032 shall be levied ISTS charges as per the trajectory specified below.

S. No.	Period of Commissioning of Offshore Wind Power Projects	Applicable ISTS Charges
1	01.01.2033 to 31.12.2034	25% of the applicable ISTS charges
2	01.01.2034 to 31.12.2035	50% of the applicable ISTS charges
3	01.01.2035 to 31.12.2036	75% of the applicable ISTS charges
4	From 01.01.2037	100% of the applicable ISTS charges

- b. Green Hydrogen/Green Ammonia Plants commissioned on or before 31.12.2030, and which utilize renewable energy from Solar, Wind, Large Hydro commissioned after 8th March 2019, or Energy Storage Systems (ESS) (such as Pump Storage Plants or Battery Energy Storage Systems) or any hybrid combination of aforementioned technologies, for the production of Green

Hydrogen or Green Ammonia, shall be granted exemption from the payment of ISTS Charges for a period of 25 years, starting from the date of commissioning of the project. Further, the Green Hydrogen/Green Ammonia Plants commissioned after 31.12.2030 shall be levied ISTS charges as per the trajectory specified below.

S. No.	Period of Commissioning of Green Hydrogen/ Green Ammonia Plants	Applicable ISTS Charges
1	01.01.2030 to 31.12.2031	25% of the applicable ISTS charges
2	01.01.2032 to 31.12.2033	50% of the applicable ISTS charges
3	01.01.2034 to 31.12.2035	75% of the applicable ISTS charges
4	From 01.01.2036	100% of the applicable ISTS charges

- c. Further, in partial modification of clause 3.2 of the order dated 23.11.2021, the waiver of ISTS charges for Hydro PSP project has been made subject to 'award of construction work' instead of 'commissioning' mentioned earlier.
- d. Drawee entities, including Green Hydrogen/Green Ammonia Plants and Discoms, which contract energy (or capacity) from an ESS Project/Scheme, shall be granted exemption from the payment of ISTS Charges if they draw a minimum of 51% of the annual energy contracted with or consumed from ESS as renewable energy.
- e. The waiver shall be allowed only for ISTS charges but not for ISTS losses.
3. Further, if a Renewable Energy Project which is eligible for ISTS waiver in terms of extant orders is granted extension in Date of Commercial Operation (COD) by the competent authority, the project would not be deprived from applicable waiver of ISTS charges based on the original COD.
4. This order shall be applied prospectively i.e., from the date of issue of order.
5. This issues with the approval of **Hon'ble Minister of Power and New and Renewable Energy**.

A. Suresh 29/5/2023

(Suresh Annepu)
Director (RCM)
Tel: 011- 2371 7737

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), Sr. PPS to AS (AT), PSO to CE (R&R).