

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION, SHIMLA

Notification

Shimla, the 27th June, 2018

HPERC-H(1)25/2017.- WHEREAS, at present the deviation, in respect of drawals/injections by various State entities are settled under the various mechanisms laid down, or evolved, under the various Regulations/procedures;

AND WHEREAS the Commission find it expedient to frame consolidated Regulations i.e. Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and related Matters) Regulations, 2018 to deal with such matters, so as to broadly harmonize the provision with the practices followed by the Central Commission;

AND WHEREAS the Commission proposes to final, these regulations at the earliest but shall give effect to the same with effect from 5th November, 2018, so as to enable the SLDC and various entities to make all preparatory arrangements required for smooth implementation of the Regulations and also to facilitate suitable amendments in the Open Access Regulations and detail procedures evolved thereunder, during the interim period between the date of publication of final Regulations in the Rajpatra of Himachal Pradesh and date of commencement of the Regulations;

NOW, THEREFORE, the Himachal Pradesh Electricity Regulatory Commission in exercise of the powers conferred by sub-section (1) and clause (zp) of sub-section (2) of Section 181, of the Electricity Act, 2003 (36 of 2003), read with Section 21 of the General Clauses Act, 1897 (10 of 1897), and all other powers enabling it in this behalf, proposes the draft Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and related Matters) Regulations, 2018 and as required by sub-section (3) of Section 181 of the said Act and rule 3 of the Electricity (Procedure for Previous Publication) Rules, 2005, the draft regulations are hereby published for the information of all the persons likely to be affected thereby; and notice is hereby given that the said draft amendment regulations will be taken into consideration after the expiry of thirty (30) days from the date of publication of this notification in the Rajpatra, Himachal Pradesh, together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The text of the aforesaid draft regulations is also available on the website of the Commission i.e. <http://www.hperc.org>.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Viduyt Aayog Bhawan, Block No.-37, SDA Complex, Kasumpti-171009 (HP).

DRAFT REGULATIONS

1. Short title and commencement. - (1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2018.

(2) These Regulations shall come into force from the 00 hrs. of the 5th day of November, 2018:

Provided that the SLDC and various State Entities shall, during the interim period between date of publication of these regulations in the Rajpatra, Himachal Pradesh and date of commencement of these regulations, make all preparatory arrangements required for smooth implementation of these regulations.

2. Definitions and Interpretation.-

(1) In these Regulations, unless the context otherwise requires.-

- (a) **'Act'** means the Electricity Act, 2003 (36 of 2003);
- (b) **'ALDC' or 'Area Load Despatch Centre'** means a Load Despatch Centre established by the distribution licensee operating in the State to carry out the operating directives of SLDC and assist SLDC for safe and integrated operation of the concerned distribution network;
- (c) **'Actual Drawal'** in a time-block means electricity drawn by a buyer, as computed or projected appropriately, as described in more detail in regulation 5, on the basis of the energy recorded by the Interface meters and other related data of losses etc.;
- (d) **'Actual injection'** in a time-block means electricity generated or supplied by the seller, as the case by, as computed or projected appropriately, as described in more detail in regulation 5, on the basis of the energy recorded by the Interface meters and other related data of losses etc.;
- (e) **'Beneficiary'** means person purchasing electricity generated from a generating station;
- (f) **'Buyer'** means a person, including beneficiary and distribution licensee purchasing electricity through a transaction scheduled in accordance with the relevant regulations, including those applicable for short-term open access, medium-term open access and long-term access;
- (g) **'Central Commission'** means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
- (h) **'Commission'** means the Himachal Pradesh Electricity Regulatory Commission referred to in sub –section (1) of section 82 of the Act.

- (i) **‘Deviation’** in a time-block for a seller means its total actual injection minus its total scheduled generation and for a buyer means its total actual drawal minus its total scheduled drawal.
- (j) **‘Gaming’** in relation to these regulations, shall mean an intentional mis-declaration of declared capacity by any seller or buyer in order to make an undue commercial gain through Charge for Deviations;
- (k) **‘Grid Code’** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- (l) **‘Interface meters’** means interface meters as defined by the Central Electricity Authority under the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time or any other meter as may be relevant in specific situation;
- (m) **‘Intra-State Deviation Charges’** mean charges for deviation as specified by these Regulations;
- (n) **‘Open Access Consumers’** means a consumer, trader, distribution licensee or a generating company who has been granted Open Access under relevant regulations;
- (o) **‘Open Access Regulations’** mean the Himachal Pradesh Electricity Regulatory (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010 and the Himachal Pradesh Electricity Regulatory Commission (Short Term Open Access) Regulations, 2010;
- (p) **‘Qualified Coordinating Agency (QCA)’** means the agency/ licensee coordinating on behalf of RE generators connected to a pooling station or where RE generator(s) selling power to distribution licensee. QCA may be one of the generator/ distribution licensee or RE generator selling power to the distribution licensee or any other mutually agreed agency for the following purposes, namely:-
- coordinate for schedules with periodic revisions on behalf of all the RE generations connected to the pooling station(s) or selling power to distribution licensee;
 - responsible for coordination with STU/SLDC for metering, data collection/transmission, communication;
 - where applicable, undertake commercial settlement on behalf of the generators of such charges pertaining to generation deviations only including payments to the Regional/State Deviation Pool Accounts through the SLDC;and
 - undertake de-pooling of payments received on behalf of the generators from the State Deviation Pool Account and settling

them with the individual generators. QCA shall be treated as a State Entity and shall be registered with SLDC.

- (q) **‘Scheduled generation’** at any time or for a time block or any period means schedule of generation in MW or MWh ex-bus given by the State Load Despatch Centre;
- (r) **‘Scheduled drawal’** at any time or for a time block or any period time block means schedule of despatch in MW or MWh ex-bus given by the State Load Despatch Centre;
- (s) **‘Seller’** means a person, including a generating station and Distribution License, supplying electricity through a transaction scheduled in accordance with the relevant regulations applicable for short-term open access, medium-term open access and long-term open access;
- (t) **‘State Entity/Constituent’** means such person who is in the SLDC control area and whose metering and energy accounting is done at the state level and as described in more detail in regulation 4 of these regulations;
- (u) **‘State Load Despatch Centre’** means the centre established under sub-section (1) of section 31 of the Act;
- (v) **‘State Grid’** means the Intra-State Transmission System/ network owned by the State Transmission Utility (STU)/ Transmission Licensee(s) and/or the EHV/High Voltage Distribution System/ network owned by the distribution licensee(s) within the State;
- (w) **‘Time-block’** means a time block of 15 minutes, for which specified electrical parameters and quantities are recorded by special energy meter, with first time block starting at 00.00 hrs: Provided that the Commission may revise the duration of time block to 5 minutes, or any other duration, from the date to be notified by it from time to time;
- (x) **‘Un-Requisitioned Surplus(URS)’** means the reserve capacity in a generating station that has not been requisitioned and is available for despatch, and is computed as the difference between the declared capacity of the generation station and its total schedule under long-term, medium-term and short-term transactions, as per the relevant regulations of the appropriate Commission;
- (y) **‘Week’** means a period of seven continuous days beginning at 00 hrs of each Monday or as reckoned by NRPC for preparing weekly deviation accounts.

(2) The words and expressions used in these Regulations and not defined herein, but defined in the Act or the regulations issued by the Commission, shall have the meanings assigned to them in the Act or in

such regulations issued by the Commission; the words and expressions used herein but not specifically defined in these Regulations or in the Act, but defined under any law, passed by a competent Legislature and applicable to the electricity industry in the State, shall have the meanings assigned to them in such law; the words and expressions used herein, but not specifically defined in the Regulations or in the Act or any law passed by a competent Legislature, shall have the meanings as are generally assigned to them in the electricity industry.

3. Objective.-

The objective of these regulations is to maintain grid discipline and grid security as envisaged under the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 and Himachal Pradesh Electricity Grid Code, 2008 and amendments from time to time through the commercial mechanism for Deviation Settlement through drawal and injection of electricity by the users of the grid.

4. Scope.-

(1) These Regulations shall be applicable to the buyers and the sellers i.e. State distribution licensee(s), State Sector Generating Stations and Open Access Customers connected to the State Grid:

[Explanation:- The sellers selling power to a person forming State Entity, including distribution licensee, on regular basis shall not be considered as separate State Entity in relation to such sale of power under regular arrangement and the availability of power from the such sources shall be accounted for by the State Entity purchasing such power for all intents and purposes. However, in case only a part of the total energy sales by a seller is being sold under regular arrangement and balance part is sold to any other person, not forming a State Entity of the State, such seller shall be considered as a separate State Entity in relation to sale of such balance portion. Accordingly the generating stations selling the entire saleable energy to the distribution licensee shall not be treated as State Entities for the purpose of scheduling and despatching etc.]

5. Principles for Operationalising Deviation Settlement Mechanism.-

The framework for Deviation Settlement Mechanism shall cover the following key design parameters, viz. (a) Scheduling period (b) Premise for least cost despatch (c) Operating range of frequency (d) Deviation (e) Settlement period (f) Measurement unit for State Deviation Pool (g) Deviation Pool Price Vector (h) Deviation Volume Limit (i) Premise for allocation of losses (j) submission of data by the generating station not considered as the State Entities and (k) procurement of URS in the interest of State Grid, as described below, namely:-

- (A) Scheduling Period: The scheduling period shall comprise of 96 time blocks, each of 15-minute duration starting from 00:00 hours (IST) ending with 24:00 hours (IST). The first time block of scheduling period shall commence from 00:00 hours (IST) to 00:15 hours (IST), second time block of scheduling period shall commence from 00:15 hours (IST) to 00:30 hours (IST) and so on:

Provided that from the date to be notified by it, the Commission may revise the scheduling period to 288 time blocks, each of 5-minute duration starting from 00:00 hours (IST) ending with 24:00 hours (IST). Accordingly, the Interface Metering, Energy Accounting and Deviation Settlement should be capable to undertake transactions with 5-minute duration. All future resource planning, IT and communication system requirement and infrastructure development shall be undertaken to cater to this requirement.

- (B) Premise for least cost despatch : Based on the availability schedule forecasted by generating stations (Sellers) and load requirement forecasted by Buyers, the SLDC shall draw up the least cost despatch schedule on Day Ahead basis for the State Entities in accordance with the merit order principles as applicable, or approved by State Commission, from time to time:

Provided that wheeling transactions of captive users and open access consumers shall be despatched as contracted subject only to transmission and Distribution system constraints and system emergency conditions.

- (C) Operating Range for Frequency: (i) The normal operating range for average grid frequency for time block shall be in line with range stipulated under Grid Code from time to time (viz. 49.90 Hz to 50.05 Hz). While normal operating range of average frequency as per Grid Code has been stipulated as 49.90 Hz to 50.05 Hz, the deviation price vector has been specified under Regulation 7 and 9 for frequency range of 49.70 Hz to 50.05 Hz;
- (ii) no over-drawal or under-injection shall be allowed when grid frequency is below 49.70 Hz and no under-drawal or over-injection shall be allowed when grid frequency is above 50.05 Hz; and
- (iii) during the time blocks when frequency is 49.7 Hz and above but below 50.05 Hz, the variation to the extent of +/- 12 % shall be permissible, subject to payment of deviation charges:

Provided that in case of, -

- (a) over drawal/under injection by a State Entity during 12 such time blocks, immediately preceding any given time, in which the frequency remained less than 49.9 Hz; or

- (b) under drawal/over injection by a State Entity during 12 such time blocks, immediately preceding any given time, in which the frequency was more than 49.9 Hz;

such State Entity shall take immediate steps, to reverse the sign of deviation and in case of repeated failures by any State Entity to reverse the sign of deviation, the SLDC may also issue appropriate directions to such State Entities, apart from taking suitable remedial measures to avoid such situations.

[Explanation: The period of 12 time blocks shall be counted after ignoring the time blocks in which the frequency is beyond the limits stipulated in item (i) or (ii), as the case may be.]

- (D) Deviation: (i) For the purposes of Deviation settlement amongst State Entities, the SLDC shall work out the 'Deviation Pool Accounts' comprising over-drawal/under-drawal and over-injection/under-injection for each State Entity corresponding to each Scheduling period in accordance with the principle that the deviation in a time-block for a Seller means its total actual injection minus its total scheduled generation and for a Buyer means its total actual drawal minus its total scheduled drawal; and

- (ii) except where the situation may warrant otherwise, the energy received, or injected, or projected, as the case may be, at the State periphery shall be considered for scheduling etc. for the purposes of these Regulations:

Provided that,-

- (a) in case of generating stations directly connected to the State Grid, the energy injection at the interconnection with the State Grid shall be considered for the purpose; and
- (b) in case of consumers, the energy recorded at the consumer end shall be considered.

- (E) Settlement Period: Preparation and settlement of 'Deviation Pool Accounts' shall be undertaken on weekly basis coinciding with mechanism followed for regional energy accounts. The SLDC shall also prepare and issue detailed statements as per Regulation 12 alongwith such accounts.

- (F) Measurement Unit for Deviation Pool Account: The measurement unit for Deviation Pool Volume (Over-drawal/under-drawal and Over-injection/under-injection) preparation shall be kiloWatt hours (kWh). Measurement unit for Deviation Pool Value (Payable and Receivable) preparation shall be Indian Rupees (INR). The decimal component of

the energy unit (kWh) and amount (INR) shall be rounded off to nearest integer value.

- (G) Deviation Pool Price Vector: The charges for Deviation shall be in accordance with the Deviation Price Vector specified in regulation 7 or as may be subsequently notified by the Commission from time to time.
- (H) Deviation Volume Limit: In order to ensure grid discipline and grid security, conditions for Deviation Volume Limit and consequences for exceeding such Deviation Volume Limit by way of levy of Additional Deviation Charges, as specified under Regulations 8 and 9, shall be applicable. Similarly, additional charges for deviation as specified in sub-regulations (2) and (3) of regulation 9 shall also be applicable.
- (I) Premise for allocation of losses: For the purpose of Deviation Pool accounting, intra-State transmission system losses and distribution losses, as approved by the Commission, shall be allocated amongst the State Entities in proportion to the actual drawal by each State Entity:

Provided that State Load Despatch Centre shall maintain account of actual intra-state transmission system loss for each time block and publish reconciliation statement of 52 weekly average loss vis-à-vis approved loss by the Commission on its website.
- (J) Submission of data by generating stations : Such generating stations as are selling entire saleable energy to the distribution licensee and are not considered as separate State Entities in view of explanation under regulation 4, shall submit their projections/estimates and other online and offline data as may be required by ALDC so as to enable the ALDC to prepare consolidated schedule of the distribution licensee and also to keep SLDC updated on the information relating to the distribution licensee, including such generating stations.
- (K) In the event of sudden fall in availability of one or more State Entities by more than 20 MW for any individual State Entity, if concerned State Entity generator has not already initiated any steps, or is not entitled, to revise his schedule, the SLDC may, in the interest of grid security, procure, under intimation to such State Entity(ies), URS from the concerned generating stations for such time blocks as it may feel appropriate duly keeping in view the main objectives that no energy cuts should be imposed in the State, as far as possible, and also that the grid parameters must be maintained within the permissible limits:

Provided that while procuring URS on behalf of more than one State Entity, the SLDC shall duly indicate the share of each such State Entity at the time of such procurement and shall also subsequently reflect the same in the weekly/monthly accounts statement showing the share of each State Entity in the quantum of URS procured by it:

Provided further that SLDC shall also, apportion, within 5 days from the date of issue of monthly accounts, whether provisional or final or revised, by NRPC for any month, the total energy booked for the State amongst concerned State Entities on the above lines:

Provided further that the distribution licensee, or any other State Entity, may also, of its own, procure URS under intimation to SLDC and in that event SLDC shall duly apportion such URS to that State Entity.

6. Declaration, scheduling and elimination of gaming

(1) The provisions of the Himachal Pradesh Electricity Grid Code, 2008, and the Himachal Pradesh Electricity Regulation Commission (Short Term Open Access) Regulation, 2010 and Himachal Pradesh Electricity Regulatory Commission (Grant of Connectivity, Long-term and Medium-term intra-State Open Access and Related Matters) Regulations, 2010, and other appropriate regulations as may be relevant, as amended from time to time, shall be applicable for declaration of capacity, scheduling and elimination of gaming.

(2) The generating stations, as far as possible, shall generate electricity as per the day-ahead generation schedule finalized by the State Load Despatch Centre in accordance with the State Grid Code:

Provided that the revision in generation schedule on the day of operation shall be permitted, in accordance with the procedure specified under Himachal Pradesh Electricity Grid Code, 2008 as amended from time to time.

(3) The QCA shall coordinate the aggregation of schedule of all generators connected to a pooling station or selling power to distribution licensee and communicate it to the SLDC. The QCA shall undertake all commercial settlement on behalf of the renewable energy generator(s) connected to the respective pooling station(s) or selling power to the distribution licensee.

(4) The Commission, either suo-motu or on a petition made by SLDC, or any affected party, may initiate proceedings against any State Entity namely Generator, distribution licensee, Open Access Consumer etc. on charges of gaming and if required, may order an inquiry in such

manner as decided by the Commission. When the charge of gaming is established in the above inquiry, the Commission may, without prejudice to any other action under the Act or Regulations there under, disallow any Charges for Deviation received by such State Entity during the period of such gaming.

7. Charges for Deviations.-

- (1) The charges for the Deviations for each time-block, payable for over drawal by the buyer and for under-injection by the seller; and receivable for under-drawal by the buyer and for over-injection by the seller; shall be worked out on the average frequency of that time-block at the rates specified in the Table-1 below as per the provisions specified in these Regulations:

**Table-1:
Frequency based Charges for Deviation**

Average Frequency of the time block (Hz)		Charges for Deviation
Below	Not Below	Paise/kWh
	50.05 And above	0.00
50.05	50.04	35.60
50.04	50.03	71.20
50.03	50.02	106.80
50.02	50.01	142.40
50.01	50.00	178.00
50.00	49.99	198.84
49.99	49.98	219.68
49.98	49.97	240.52
49.97	49.96	261.36
49.96	49.95	282.20
49.95	49.94	303.04
49.94	49.93	323.88
49.93	49.92	344.72
49.92	49.91	365.56
49.91	49.90	386.40
49.90	49.89	407.24
49.89	49.88	428.08
49.88	49.87	448.92
49.87	49.86	469.76
49.86	49.85	490.60
49.85	49.84	511.44
49.84	49.83	532.28
49.83	49.82	553.12
49.82	49.81	573.96
49.81	49.80	594.80
49.80	49.79	615.64
49.79	49.78	636.48
49.78	49.77	657.32
49.77	49.76	678.16
49.76	49.75	699.00
49.75	49.74	719.84
49.74	49.73	740.68
49.73	49.72	761.52
49.72	49.71	782.36
49.71	49.70	803.20
49.70		824.04

Provided that,-

- (i) the receivables against the charges for the Deviation for the under drawal by the buyer in a time block in excess of 12% of the schedule shall be zero; and
 - (ii) the receivables against the charges for the Deviation for the over injection by the seller in a time block in excess of 12% of the schedule shall be zero, except in case of injection of infirm power, which shall be governed by the sub-Regulations (3) & (4) of this Regulation, as the case may be.
- (2) The charges for Deviation may be reviewed by the Commission from time to time.
 - (3) In cases where treatment of infirm power has been included in the PPA, or in any other agreement, or the provision for treatment of such power are already provided in any of the regulations, the same shall be governed by such conditions or provisions.
 - (4) In cases not covered under (3) above, the infirm power injected into the grid by a generating unit or a generating station during the testing, prior to Commercial Operation Date (COD) of the unit shall be paid at charges for deviation for infirm power injected into the grid, consequent to testing, for a period not exceeding 6 months, or for extended time allowed by the Commission, subject to a ceiling of cap rate of Rs. 1.78/kWh sent out in case of Hydro/wind /solar/MSW generation.

8. Limits on Deviation Volume.-

- (1) The over-drawal/under-drawal of electricity by any buyer during the time block shall not exceed 12% of its scheduled drawal, when grid frequency is "49.70 Hz and above" but "below 50.05 Hz":

Provided that no over-drawal of electricity by any buyer shall be permissible when grid frequency is "below 49.70 Hz" and no under-drawal of electricity by any buyer shall be permissible when grid frequency is "50.05 Hz and above".
- (2) The under-injection/over-injection of electricity by a seller during a time-block shall not exceed 12% of the scheduled injection of such seller, when frequency is "49.70 Hz and above but below 50.05 Hz":

Provided that no under injection of electricity by a seller shall be permissible when grid frequency is "below 49.70 Hz" and no over injection of electricity by a seller shall be permissible when grid frequency is "50.05 Hz and above":

Provided further that any injection of infirm power by a generating station prior to COD of a unit during testing and commissioning activities shall be exempted from the volume limit specified above for a period not exceeding 6 months or the extended time allowed by the Commission:

Provided further that any drawal of power by a generating station prior to COD of a unit for the start up activities shall be exempted from the volume limit specified above when grid frequency is "49.70 Hz and above".

9. Additional charges for crossing Deviation Volume Limits.-

- (1) In addition to Charges for Deviation as stipulated under Regulation 7 of these Regulations, Additional Charge for Deviation shall be applicable for incremental over-drawal as well as under-injection of electricity for each slab in respect of each time block in excess of the volume limit specified in Regulation 8 above, when average grid frequency of the time block is "49.70 Hz and above but upto 50.05 Hz" at the rates specified in the Table-2 below.

**Table-2
Additional Charges for Deviation beyond the limits on Deviation Volume**

1.	For over drawal of electricity by any buyer in excess of 12% and up to 15% of the schedule in a time block	Equivalent to 20% of the Charge for Deviation corresponding to average grid frequency of the time block.
2.	For over drawal of electricity by any buyer in excess of 15 % and up 20% of the schedule in a time block	Equivalent to 40% of the Charge for Deviation corresponding to average grid frequency of the time block.
3.	For over drawal of electricity by any buyer in excess of 20 % of the schedule in a time block	Equivalent to 100% of the Charge for Deviation corresponding to average grid frequency of the time block.
4.	For under injection of electricity by any seller in excess of 12% and up to 15% of the schedule in a time block	Equivalent to 20% of the Charge for Deviation corresponding to average grid frequency of the time block.
5.	For under injection of electricity by any seller in excess of 15% and up to 20%of the schedule in a time block	Equivalent to 40% of the Charge for Deviation corresponding to average grid frequency of the time block.
6.	For under injection of electricity by any seller in excess of 20% of the schedule in a time block	Equivalent to 100% of the Charge for Deviation corresponding to average grid frequency of the time block.

Provided that any drawal of power by a generating station prior to COD of a unit for the start up activities shall be exempted from the levy of additional Charges of Deviation.

- (2) In addition to the Charges for Deviation as specified under Regulation 7 of these Regulations, Additional Charge for Deviation shall be payable for the over-injection and/or under drawal of electricity for each time block by a seller and/or buyer, as the case may be, when

grid frequency is "50.10 Hz and above" at the rate of 178 paise per kWh.

- (3) In addition to the Charges for Deviation as stipulated under Regulation 7 of these Regulations, Additional Charge for Deviation shall be payable for over-drawal and/or under-injection of electricity for each time block by a buyer and/or seller, as the case may be, when grid frequency is "below 49.70 Hz" and the rate for the same shall be equivalent to 100% of the Charge for Deviation corresponding to the grid frequency of "below 49.70 Hz" i.e. 824.04 Paise/kWh.

(10) Contravention of the limits and uploading of records on website.-

- (1) Payment of Charges for Deviation under Regulation 7 and the Additional Charges for Deviation under sub-regulation (1), (2) & (3) of Regulation 9, shall be levied without prejudice to any action that may be considered appropriate by the Commission under Section 142 of the Act for contravention of the limits of over-drawal/under drawal, or under-injection/over-injection, as specified in these regulations, for each time block or in case of violation of any other provisions of these Regulations.
- (2) The charges for over-drawal/under-injection and under-drawal/ over-injection of electricity shall be computed by the SLDC.
- (3) The SLDC shall, on weekly basis, prepare and publish on its website there records of the Deviation Accounts, specifying the quantum of over-drawal/under-injection & over injection/under drawal and corresponding amount of Charges for Deviation payable/receivable for each buyer and seller for all the time-blocks when grid frequency was "49.70Hz and above" and "below 49.70" Hz separately."
- (4) The SLDC shall also submit quarterly reports to the Commission indicating summary of the Grid behavior and discipline maintained by the State Entities alongwith the details of any significant reportable events and the suggestions, if any, in regard to the matters concerning grid discipline.

11. Compliance with instructions of State Load Despatch Centre.-

Notwithstanding anything specified in these Regulations, the sellers and the buyers shall strictly follow the instructions of the SLDC on injection and drawal in the interest of grid security and grid discipline.

12. Accounting of Charges for Deviation and Billing.-

- (1) The SLDC shall prepare the State Energy Accounts on monthly basis. In addition, the SLDC shall, on weekly basis, also -

- (i) prepare statements showing the Amount payable and receivable, separately for deviation charges under regulation 7 and additional charges for deviation under regulation 9, by each State Entity;
 - (ii) in case, for any week, the total amount recoverable from the various State Entity(ies) separately for deviation charges as per regulation 7 and sub-regulation (1) of regulation 9 falls short of the total amount payable separately in respect of any one or both of the aforesaid two items for the State as a whole as per the bill(s) raised by NRPC, the amount recoverable from each State Entity for each of two such items shall be increased in proportion to the amount recoverable from each State Entity as per regulation 7 and sub-regulation (1) of regulation 9 so as to cover up such shortfall fully in respect of each of the aforesaid two items;
 - (iii) reflect other requisite details as it may consider appropriate in such statement;
 - (iv) devise suitable formats for preparing and reflecting the accounts/ payments detail in a fair and transparent manner; and
 - (v) the statements of Deviation charges on weekly basis and other details as above, as prepared by it, to all state Entities for the seven-day period ending on the previous Sunday mid-night, within 3 days of issuance of bills by NRPC.
- (2) SLDC shall also prepare and raise the weekly bills on its State Entities, including distribution licensee also for the deviation charges as well as the additional charges for deviation and any other charges as due showing appropriate details, including the adjustments on account of shortfall if any as per item (iii) under sub-regulation (1), separately in respect of each of the item viz charges under regulation 7 and each of the three sub- regulations under regulation 9.
- (3) All payments on account of Charges for Deviation including Additional Charges for Deviation levied under regulations, and interest, if any, received for late payment, shall be credited to the fund called the “State Deviation Pool Account” which shall be opened, maintained and operated by the State Load Despatch Centre in accordance with provisions of these Regulations:

Provided that,-

- (i) the Commission may, by order, direct any other entity to operate and maintain “State Deviation Pool Account” ; and
- (ii) separate books of accounts shall be maintained by SLDC for the principal component and interest component of Charges for Deviation and each component of the Additional Charges for Deviation.

- (4) All payments received in the “State Deviation Pool Account” shall be apportioned on weekly basis in the following sequence, namely :-
- (i) first towards any cost or expense or other charges incurred on recovery of Charges for deviation.
 - (ii) next towards over dues or penal interest, if applicable.
 - (iii) next towards normal interest.
 - (iv) towards charges for deviation and additional charges for deviation.
 - (v) lastly towards the defaulting amount recoverable by SLDC from the concerned State Entity under sub-regulation (4) of regulation 14 in respect of the relevant timeframe starting from the date on which matter is referred by the distribution licensee to SLDC.
- (5) The amounts received in the “State Deviation Pool Account” shall be utilised by the SLDC for payment of the consolidated deviation bill(s) for the deviation charges and the additional charges raised by NRPC on distribution licensee/SLDC for the State as whole and also for making payments to any other State Entities who may be entitled to the same in accordance with the Statement of Accounts issued under sub-regulation (1):
- Provided that, save as provided in regulation 15, the surplus balance, if any, in the “State Deviation Pool Account” shall be retained in the said account and shall be utilized in a manner as may be approved/ directed by the Commission from time to time.
- (6) The amount(s) billed by NRPC/ generating stations to the distribution licensee on account of supply of URS shall be paid by the distribution licensee, who shall, in turn, recover the same from other State Entities to the extent such URS were procured on behalf of such other Entities in accordance with the Statement of Accounts issued by SLDC in accordance with sub-regulation (1).
- (7) The bills raised by the distribution licensee as per sub-regulation (6) shall be payable by the concerned Entities within 15 days of issuance of such bills failing which interest shall be payable at the same rate as specified in regulation 14 for late payment:
- Provided that if any of such bill(s) remain unpaid even after expiry of 120 days from the date of raising such bill, the distribution licensee may refer the matter to SLDC, who shall then recover the same, alongwith interest for each day starting from the date of expiry of the grace period of 15 days till the date of payment/settlement from the defaulting State Entity, by allocating suitable priority under sub-regulation (4) of this regulation, or by operating LC or otherwise and the amount, so recovered, together with

interest for late payment, shall be credited to the account of distribution licensee.

13. Special provisions for Open Access Customer who are also retail Consumers of the distribution licensee.-

In case of Open Access Customers who are also retail consumers of distribution licensee, the following special provisions shall be applicable, namely :-

- (i) a consumer who meets part of his requirement through open access and balance through supply of power by the distribution licensee, shall be entitled to draw the total power within its sanctioned contract demand irrespective of its purchase of power through open access. However, where the consumer has revised his contract demand temporarily within the total sanctioned contract demand as per the provisions of Supply Code and relevant tariff order, he shall be entitled to draw power within such revised contract demand only until he further revises the contract demand. In case the consumer desires to draw power in excess of his sanctioned contract demand, he shall have to get his sanctioned contract demand increased in accordance with the provisions of Supply Code and other relevant Regulations notified by the Commission from time to time;
- (ii) demand charges shall be payable by the consumer on the sanctioned contract demand/revised contract demand irrespective of its purchase of power through open access, to the licensee as per relevant Schedule of the tariff order. The additional charges on the average demand (Rs./kVA/month) during peak load hours shall also be payable on the basis of the total consumption during the peak load hours in respect of the billing month irrespective of the quantum of energy availed through open access or otherwise;
- (iii) consumer availing short term open access shall submit the schedule only for drawal of power through open access and no schedule for drawal of power as a normal consumer of distribution licensee shall be required;
- (iv) the total recorded drawal by the consumer for the different tariff blocks (i.e. peak, night and normal hours) in the billing month shall be reduced by the total scheduled entitlement for various time blocks in the respective tariff blocks in the billing month as per the schedules under open access arrangement, irrespective of actual drawal by the consumer in the respective time blocks, but subject to the provisions under the succeeding item. The balance

energy shall be treated as supplied by the distribution licensee to the consumer as per the relevant tariff order of the Commission. This shall be subject to the condition that if the quantum of such balance energy works out to a negative figure in any time block, the energy supplied by the distribution licensee to the consumer in that time block shall be considered as zero and the remaining unadjusted energy for that time block shall be adjusted as per the succeeding item. In case the total drawal, including the same under the open access arrangement, exceeds the sanctioned contract demand or the reduced contract demand, as applicable, at any time during the billing period, such over drawal shall be considered as violation of the contract demand in accordance with the provisions of normal schedule of tariff and the contract demand violation charges shall also be charged accordingly in addition to the energy charges as per the schedule of tariff;

- (v) in case of time blocks where the total recorded drawal of the consumer is less than the scheduled entitlement of the consumer in that time block, SLDC shall account for such under drawal by the consumer in its accounts and compute the amounts payable/receivable by that consumer under regulation 7 and 9 separately. The payable/recoverable amounts so worked out by SLDC shall be payable/recoverable by the consumer directly to/from SLDC without involving the monthly billing for that consumer under the retail tariff. The distribution licensee shall not make any adjustment on this account in their monthly bills. However, the consumer shall not be entitled to any relief in the demand charges on account of any such under drawal.
- (vi) the consumer will, however, continue to be governed by the Supply Code and relevant Schedule of Tariff order approved by the Commission; and
- (vii) for the purpose of energy accounting, adjustments and billing, the energy scheduled (computed in kWh), under open access to the consumer of distribution licensee, as projected at the point of supply to that consumer, shall be converted into kVAh by adopting the actual average power factor as recorded in/calculated from special energy meter data for each 15 minutes time block.

14. Schedule of Payment of Charges for Deviation.-

- (1) The payment of charges for Deviation shall have a high priority and the concerned Buyer/Seller shall pay the indicated amounts within 7 (Seven) days of the issue of statement of Charges for Deviation including Additional Charges for Deviation by the SLDC into the "State Deviation Pool Account".

- (2) If payments against the Charges for Deviation including Additional Charges for Deviation are delayed by more than two days, i.e., beyond Nine (9) days from the date of issue of the bill by the SLDC, the defaulting Buyer/Seller shall have to pay simple interest @ 0.04% for each day of delay.
- (3) All payments to the Buyer/Seller entitled to receive any amount on account of charges for Deviation shall be made within 5 working days of receipt of the payments in the “State Deviation Pool Account”:

Provided that,-

- (i) in case of delay in the Payment of charges for Deviations into the State Deviation Pool Account and interest, if any, there on, beyond 9 days from the date of issuance of the Bill of Charges, the Buyer(s)/Seller(s) who have to receive payment for Deviation or interest there on shall be paid from the balance available if any, in the State Deviation Pool Account. In case the balance available is not sufficient to meet the payment to such Buyer(s)/Seller(s), the payment from the State Deviation Pool Account shall be made on pro rata basis from the balance available in the Fund; and
 - (ii) the liability to pay interest for the delay in payments to the “State Deviation Pool Account” shall remain till interest is not paid; irrespective of the fact that Buyer/Seller who have to receive payments have been paid from the “State Deviation Pool Account” in part or full.
- (4) In case of default in payment of the amount recoverable by the distribution licensee from any other State Entities as per sub-regulation (7) of regulation 12, the outstanding amount, alongwith interest shall be recovered by SLDC from the defaulting Entities as per the provisions of this regulation by treating the same procedure as applicable for the deviation charges and the additional charges for deviation. For this purpose, SLDC shall assign priority to this amount on weekly/monthly basis, under sub-regulation (4) of regulation 12, starting from the date on which the matter is referred by the distribution licensee to the SLDC in accordance with these provisions. Such amount shall, on recovery, from the defaulting Entity(ies), be credited to the account of distribution licensee.
 - (5) All Buyers/Sellers, which had at any time during the previous financial year, failed to make payment of Charges for Deviation including Additional Charges for Deviation within the time specified in these regulations shall be required to open a Letter of Credit (LC) equal to 110% of its average payable weekly liability for Deviations

in the previous financial year, in favour of the SLDC before 14th April of the financial year.

Provided that,-

- (i) if any Buyer/Seller fails to make payment of Charges for Deviation including Additional Charges for Deviation by the time specified in these regulations during the current financial year, it shall be required to increase the amount of LC already opened as per the above provision or open a new LC, as the case may be, for an amount equivalent to 110% of the average weekly liability for the current financial year; and
- (ii) the LC amount shall be increased to 110% of the payable weekly liability for Deviation in any week during the year, if it exceeds the previous LC amount by more than 50%.

Illustration: If the average payable weekly liability for Deviation of a Buyer/Seller during 2017-18 is Rs. 20 Crore, the Buyer/Seller shall open LC for Rs 22 Crore in 2018-19. If the weekly payable liability during any week in 2018-19 is Rs 35 Crore which is more than 50% of the previous financial year's average payable weekly liability of Rs 30 Crore, the Buyer/Seller shall increase the LC amount to Rs 38.5 Crore (1.1* 35.0) by adding Rs 16.5 Crore.

(5) In case of failure to pay into the "State Deviation Pool Account" within the specified time of 9 days from the date of issue of statement of charges for Deviations, the SLDC shall be entitled to encash the LC of the Buyer/Seller to the extent of the default and the Buyer/Seller shall recoup the LC amount within 3 days.

15. Application of fund collected through Deviations.-

The surplus amount, if any in the State Deviation Pool Account as on last day of the months of June and December of each year, or at such other intervals as the Commission may direct from time to time, shall be transferred to a separate fund namely "State Power Systems Development Fund" as may be approved/ directed by the Commission from time to time.

16. Power to Relax.-

The Commission may, by general or special order, for reasons to be recorded in writing, and after giving an opportunity of hearing to the parties likely to be affected by grant of relaxation, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.

17. Power to issue directions.-

If any difficulty arises in giving effect to these regulations, the Commission may, on its own motion or on an application filed by any affected party, issue such directions as may be considered necessary in furtherance of the objective and purpose of these regulations.

18. Power to amend.-

The Commission may, at anytime, vary, alter, modify or amend any provisions of these Regulations.

19. Power to remove difficulties.-

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.

20. Overriding effect.-

The provisions of these regulations shall have overriding effect notwithstanding anything inconsistent therewith contained in any other regulations of the Commission, for the time being in force or in any instrument/detailed procedure having effect by virtue of any such regulations.

By order of the Commission
Sd/-
Secretary