

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

NOTIFICATION

No.L-7/105(121)/2007-CERC

Dated the

In exercise of powers conferred by Section 178 of the Electricity Act, 2003 and all other powers enabling it in this behalf and after previous publication, the Central Electricity Regulatory Commission, hereby makes the following regulations, namely:-

Short Title, Commencement and Application

1. (1) These regulations may be called the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008.
- (2) These regulations shall apply to the applications made for grant of open access for energy transfer schedules commencing on or after 1.4.2008 for use of the transmission lines or associated facilities with such lines on the inter-State transmission system.

Definitions

2. (1) In these regulations, unless the context otherwise requires:
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003);
 - (b) "bilateral transaction" means a transaction for exchange of energy (MWh) between a specified buyer and a specified seller, from a specified point of injection to a specified point of drawal for a fixed or varying quantum of power (MW) for any time block during a month;

- (c) “collective transaction” means a set of transactions discovered in power exchange through anonymous, simultaneous competitive bidding by buyers and sellers;
- (d) “Commission” means the Central Electricity Regulatory Commission referred to in Section 76 of the Act;
- (e) “day” means a day starting at 00.00 hours and ending at 24.00 hours;
- (f) “detailed procedure” means the procedure issued by the Central Transmission Utility under these regulations;
- (g) “Grid Code” means the Grid Code specified by the Commission under Clause (h) of sub-section (1) of Section 79 of the Act;
- (h) “intra-State entity” means a person whose metering and energy accounting is done by the State Load Despatch Centre;
 - (i) “month” means a calendar month as per the British calendar;
 - (j) “nodal agency” means the nodal agency defined in Regulation 5 of these regulations;
- (k) “open access customer” means a person who has availed or intends to avail of open access under these regulations, and includes a generating company (including captive generating plant) or a licensee or a consumer permitted by the State Commission to receive supply of electricity from a person other than distribution licensee of his area of supply, or a State Government entity authorized to sell or purchase electricity;
- (l) “power exchange” means the power exchange established with the prior approval of the Commission;
- (m) “regional entity” means a person whose metering and energy accounting is done by the Regional Load Despatch Centre;

- (n) “State Commission” means the State Electricity Regulatory Commission constituted under Section 82 of the Act and includes the Joint Commission constituted under Section 83 thereof;
- (o) “State network” means network owned by the State Transmission Utility, distribution licensee or any other person granted licence by the State Commission to construct, operate and maintain the transmission system;
- (p) “State utility” means a State Transmission Utility, or a State Electricity Board, or Electricity Department of the State, or a State Government organization authorized to sell or purchase electricity on behalf of the State;
- (q) “time block” means 15 minutes time period specified in the Grid Code for the purposes of scheduling and despatch; and
- (r) “working day” means a day on which banks open for business;
- (2) Words and expressions used in these regulations and not defined herein but defined in the Act or the Grid Code, shall have the meaning assigned to them under the Act or the Grid Code, as the case may be.

Scope and background

- 3. These regulations shall apply for utilization of surplus capacity available on the inter-State transmission system by virtue of
 - (a) inherent design margins;
 - (b) margins available due to variation in power flows; and
 - (c) Margins available due to in-built spare transmission capacity created to cater to future load growth.

Detailed Procedure

4. Subject to provisions of these regulations, the Central Transmission Utility, with approval of the Commission shall issue a detailed procedure covering any matters not provided for in these regulations.

Nodal Agency

5. The nodal agency for bilateral transactions shall be the Regional Load Despatch Centre of the region where point of drawal of electricity is situated and in case of the collective transactions, the nodal agency shall be the National Load Despatch Centre.

Submission of Open Access Application

6. (1) Any person or the power exchange (on behalf of buyers and sellers) intending to avail of open access for use of the transmission lines or associated facilities for such lines on the inter-State transmission system, shall make an application to the nodal agency in accordance with these regulations.

(2) The application for a bilateral transaction shall contain the details, such as names and location of supplier and buyer, contracted power (MW) to be scheduled and interface at which it is referred to, point or points of injection, point or points of drawal, starting time block and date, ending time block and date, and such other information that may be required in the detailed procedure.

(3) The application for a collective transaction shall contain the requisite details in accordance with the detailed procedure.

Application Fee

7. An application made for each bilateral transaction or the collective transaction shall be accompanied by a non-refundable fee of Rupees five thousand (Rs.5000/-) only:

Provided that the fee for bilateral transaction on the day of the application or on the day immediately following the day of the application may be deposited within three working days of submission of the application.

Concurrence of State Load Despatch Centre for bilateral and collective transactions

8. (1) Wherever the proposed bilateral transaction has a State utility or an intra-State entity as a buyer or a seller, concurrence of the State Load Despatch Centre shall be obtained in advance and submitted along with the application to the nodal agency. The concurrence of the State Load Despatch Centre shall be in such form as may be provided in the detailed procedure.
- (2) When a State utility or an intra-State entity proposes to participate in trading through a power exchange, it shall obtain a “no objection” or a prior standing clearance from the State Load Despatch Centre in such form as may be prescribed in the detailed procedure, specifying the MW up to which the entity may submit a buy or sell bid in a power exchange.
- (3) In case the infrastructure required for energy metering and time block wise accounting already exists, and required transmission capacity in the State network is available, the State Load Despatch Centre shall within

three (3) working days of receipt of the application accord its concurrence or 'no objection' or standing clearance, as the case may be:

Provided that the State Load Despatch Centre may, for reasons to be recorded in writing and conveyed to the applicant, refuse to give its concurrence.

Procedure for Advance Scheduling for bilateral transactions

9. (1) An application for advance scheduling for a bilateral transaction shall be submitted to the nodal agency up to the fourth month, the month in which an application is made being the first month:

Provided that separate application shall be made for each month, and for each transaction in a month.

(2) (a) An application for inter-State scheduling during the fourth month shall be made up to the last day of the first month.

(b) All applications received shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant latest by the fifth day of the second month.

(3) (a) An application for inter-State scheduling during the third month shall be made up to five (5) days prior to the close of the first month.

(b) All applications received shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant latest by the close of the first month:

Provided that while granting the application, open access granted to any person prior thereto shall not be withdrawn.

(4) (a) An application for inter-State scheduling in the second month shall be made with the nodal agency up to ten (10) days prior to the close of the first month.

(b) All applications shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant five days prior to the last day of the first month:

Provided that while granting the application, open access granted to any person prior thereto shall not be withdrawn.

(5) Wherever the nodal agency refuses to grant the application, it shall convey its reasons to the applicant.

Congestion management

10. Where in the opinion of the nodal agency, grant of all applications at a particular stage of advance scheduling is likely to cause congestion in one or more of the transmission corridors to be used, it shall conduct electronic auction for grant of open access for the available surplus transmission capacity among the applicants at that stage, in accordance with the detailed procedure:

Provided that if any person does not participate in the auction process he shall be deemed to have withdrawn his application.

Procedure for scheduling of bilateral transactions on first-come-first-served basis

11. (1) The applications for grant of open access for the second month, which are received after the date specified in clause (4) of Regulation 9 and the applications for grant of open access during the first month shall be

considered on first-come-first-served basis, and open access shall be granted subject to availability of the surplus transmission capacity, provided that such applications are received at least four (4) days in advance of the date of the bilateral transaction.

- (2) All these applications shall be processed and decided within three (3) days of their receipt.

Procedure for reservation for day-ahead transactions

12. All applications received within three days prior to the date of scheduling and up to 1500 hrs of the day immediately preceding the day of scheduling shall be clubbed and treated at par and shall be processed in accordance with the detailed procedure.

Procedure for scheduling of transactions in a contingency

13. In the event of a contingency, the buying utility may locate a source of power to meet short-term contingency requirement even after the cut-off time of 1500 hrs of the preceding day and apply to the nodal agency for open access and scheduling and in that event, the nodal agency shall endeavour to accommodate such request as soon as and to the extent practically feasible, in accordance with the detailed procedure.

Revision of Schedule

14. The open access schedules shall not be revised or cancelled by any person after it has been accepted by the nodal agency:

Provided that revision or cancellation of the schedule may be allowed by the nodal agency in extraordinary circumstances provided in the detailed procedure:

Provided further that the application fee, transmission charges and operating charges shall not be revised or refunded in the event of revision or cancellation of schedule.

Curtailment in case of transmission constraints

15. (1) When for the reason of transmission constraints or otherwise, it becomes necessary to curtail power flow on a transmission corridor, the transactions already scheduled may be curtailed in the manner decided by the Regional Load Despatch Centre if in its opinion curtailment is likely to relieve the transmission constraint.

(2) The transmission charges and operating charges shall not be refundable in the event of curtailment of a transaction schedule due to the transmission constraints:

Provided that in case of curtailment of more than 50% (in terms of MWh) of the schedule accepted by the nodal agency for any particular day for the reason of transmission constraints, the transmission charges for that day shall be payable on *pro rata* basis in accordance with the transaction finally scheduled.

Transmission Charges

16 (1) In case of bilateral transactions, for use of the inter-State transmission system, the transmission charges at the rate specified hereunder shall be payable by the applicant for the energy approved for transmission at the point(s) of injection:

| <u>Type of Transaction</u> | <u>Transmission charges(Total)</u> <u>(Rs./MWh)</u> |
|---|--|
| (a) Bilateral, intra-regional | 30 |
| (b) Bilateral, between adjacent regions | 60 |
| (c) Bilateral, wheeling through one or more intervening regions | 90 |

(2) In case of the collective transaction, for use of the inter-State transmission system, transmission charges at the rate of Rs.40/MWh for energy approved for transmission for each point of injection and for each point of drawal shall be payable.

(3) The intra-State entities shall additionally pay transmission charges for use of the State network as determined by the respective State Commission:

Provided that in case the State Commission has not determined the transmission charges, the charges for use of respective State network shall be payable for the energy approved at the rate of Rs.30/MWh:

Provided further that non-determination of charges by the State Commission shall not be a ground for denial of open access.

Operating Charges

17. (1) (a) Operating charges at the rate of Rs.3,000/- per day or part of the day for each bilateral transaction for each of the Regional Load Despatch Centre involved and at the rate of Rs.1,000/- per day or part of the day for each State Load Despatch Centre involved shall be payable by the applicant.

(ii) In case of the collective transaction, operating charges shall be payable by the power exchange @ Rs.5000/- per day to the National Load Despatch Centre for each State involved and Rs.1000/- per day for the State Load Despatch Centre involved for each point of transaction.

(iii) National Load Despatch Centre shall share the operating charges with the Regional Load Despatch Centres in such manner as may be decided by the Central Transmission Utility.

(2) All buyers and sellers within a State shall be clubbed together and netted by the power exchange (with necessary coordination with the State Load Despatch Centre) and for this purpose, the group in each State shall be counted as a single entity by National Load Despatch Centre for levy of operating charges and for scheduling and UI accounting:

Provided that for levy of operating charges for State Load Despatch Centre and levy of transmission charges, each point of injection or drawal in the State network shall be counted separately.

Note 1

The operating charges include fee for scheduling, system operation and collection and disbursement of charges.

Note 2

The operating charges collected by the nodal agency shall be in addition to the fees and charges specified by the Commission under sub-section (4) of Section 28 of the Act.

Payment of transmission charges and operating charges

18. (1) In case of the bilateral transaction, the applicant shall deposit with the nodal agency transmission charges and operating charges within three (3) working days of grant of application and in case of collective transactions, the power exchange shall deposit with the nodal agency these charges by the next working day after grant, a partial acceptance or rejection of application:

Provided that in case of the collective transactions, the transmission charges for use of State network and operating charges for State Load Despatch Centre shall be settled directly by the power exchange with respective State Load Despatch Centre.

- (2) A list of accepted bilateral transactions shall be displayed on the Regional Load Despatch Centre websites, duly updated, till the end of the month in which the transaction is scheduled.

Default in payment of open access charges

19. (1) In case of default in payment of the application fee or the charges specified under these regulations, the nodal agency shall, in its discretion, may not schedule the transaction, or cancel the scheduling of already scheduled transaction or not entertain any application of such persons in future until such time the default is cured.

(2) Notwithstanding the above, the person committing default in payment shall pay simple interest at the rate of 0.04% for each day of default.

Unscheduled Inter-change (UI) Charges

20. (1) All transactions for State utilities and for intra-State entities scheduled by the nodal agency under these regulations, shall be accounted for and included in the respective day-ahead net interchange schedules of the concerned regional entity issued by the Regional Load Despatch Centre.

(2) Based on net metering on the periphery of each regional entity, composite UI accounts shall be issued for each regional entity on a weekly cycle and transaction-wise UI accounting, and UI accounting for intra-State entities shall not be carried out at the regional level.

(3) The State Transmission Utility or the State Load Despatch Centre, as the case may be, shall be responsible for timely payment of the State's composite dues to the regional UI pool account.

(4) Any mismatch between the scheduled and the actual drawal at drawal pints and scheduled and the actual injection at injection points for the intra-State entities shall be determined by the concerned State Load Despatch Centre and covered in the intra-State UI accounting scheme.

(5) Unless specified otherwise by the concerned State Commission, UI rate for intra-State entity shall be 105% (for over-drawals or under generation) and 95% (for under-drawals or over generation) of UI rate at the periphery of regional entity.

(6) In an interconnection (integrated A.C. grid), since MW deviations from schedule of an entity are met from the entire grid, and the local utility is not solely responsible for absorbing these deviations, restrictions regarding magnitude of deviations (except on account of over-stressing of concerned transmission or distribution system), and standby charges shall not be imposed by the State Utilities on the customers of inter-State open access.

Reactive Energy Charges

21. (1) No separate reactive energy charge accounting for open access transactions shall be carried out at inter-State level:

Provided that the State Transmission Utility or the State Load Despatch Centre, as the case may be, shall be responsible for timely payment of the State's composite dues to the regional reactive charge account in accordance with the provisions of the Grid Code.

(2) The reactive energy drawals and injections by the intra-State entities shall be governed by the regulations applicable within the State concerned.

Special Energy Meters

22. (1) Special Energy Meters shall be installed by the Central Transmission Utility for and at the cost of the regional entities and by the State Transmission Utility for and at the cost of the intra-State entities.

(2) Special Energy Meters installed shall be capable of time-differentiated measurements for time block wise active energy and voltage differentiated measurement of reactive energy in accordance with Annexure – 2 to Chapter–6 of the Grid Code.

- (3) Special Energy Meters shall always be maintained in good condition.
- (4) Special Energy Meters for the regional entities shall be open for inspection by any person authorized by the Central Transmission Utility or the Regional Load Despatch Centre.

Transmission losses

- 23. (1) The open access customers including the buyers and sellers of the collective transactions shall absorb apportioned energy losses in the transmission system as estimated by the Regional Load Despatch Centre and the State Load Despatch Centre concerned, and applied in accordance with the detailed procedure.
- (2) The energy losses shall be accounted for by providing a differential between schedules at the points of supply, inter-utility transfer and drawal of electricity.

Compliance of Grid Code

- 24. The persons allowed open access shall comply with the provisions of the Grid Code in force from time to time.

Collection and Disbursement of transmission charges and operating charges

- 25. (1) The transmission charges and the operating charges payable by the persons allowed open access shall be collected and disbursed by the nodal agency, except for transmission charges for State network and operating charges for State Load Despatch Centre in the case of the collective transaction.

(2) The transmission charges collected for use of the transmission system other than the State network shall be deposited in region-wise funds maintained by the Central Transmission Utility for partially meeting the annual transmission charges of the surplus transmission capacity built specifically for open access and for future use, in accordance with the guidelines specified by the Commission.

(3) The transmission charges for use of State network shall be disbursed to the State Transmission Utility concerned.

(4) In case a State utility is the open access customer, the operating charges and the transmission charges to be collected by the nodal agency shall not include the charges for the State network and operating charges for the State Load Despatch Centre.

Redressal Mechanism

26. Unless the dispute involves the State Load Despatch Centre and the intra-State entities of the concerned State and falls within the jurisdiction of the State Commission, all disputes arising under these regulations shall be decided by the Commission based on an application made by the person aggrieved.

Information System

27. National Load Despatch Centre and each Regional Load Despatch Centre shall post the following information on their websites in a separate web-page titled "Open access information":

- (a) These regulations;
- (b) The detailed procedure;

- (c) A list of bilateral transactions accepted as 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 systems used (in terms of region and State);
 - (vi) Accepted schedule (MW) with start time and end time;

Note

The status report shall be updated daily.

- (d) Information regarding usage of the inter-regional links.
- (e) The information regarding average regional energy losses for the previous 52 weeks.
- (f) The list of open access applications for advance scheduling received as the nodal agency which have not been accepted, along with reasons for denial, to be displayed till one month after the scheduling period.

Repeal

- 28. The Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 shall not apply to the transactions processed under these regulations and shall stand repealed on 1.4.2008.