

May 9, 2006

Press Release

CERC imposes penalty on UPPCL for violating Grid Code

Central Electricity Regulatory Commission (CERC) today imposed a penalty of rupees one lakh on Uttar Pradesh Power Corporation Ltd. (UPPCL) for undisciplined over-drawal from the Northern Grid even when the frequency was below the threshold level of 49.0 Hertz. As per the Indian Electricity Grid Code (IEGC), the States are required to curtail their over-drawal in order to prevent a grid collapse if the frequency falls below 49.0 Hertz. Invoking powers vested under Section 142 of the Electricity Act, 2003, the Commission announced a token penalty of rupees one lakh for the indiscriminate over-drawal by UPPCL during the period 27th to 30th April 2006 for which Northern Regional Load Dispatch Centre (NRLDC) was directed to keep a watch while hearing a petition of NRLDC on 27th April 2006. The Commission announced its verdict after providing opportunity to the petitioner NRLDC and respondent UPPCL to present and argue their viewpoint. NRLDC produced evidence of grid code violation by UPPCL in their technical presentation. UPPCL conceded to over-drawal and also accepted that no generation capacity had been added in the state sector during the last ten years. UPPCL pleaded that they may be given one more chance as they were trying their best to curtail their demand through heavy load shedding. National Thermal Power Corporation (NTPC) intervened during the hearing to say that the life of their generating machines in the Northern Region was getting adversely affected due to low frequency grid operation.

The Commission observed that it was its primary responsibility to ensure grid discipline. It cannot be a silent spectator while a State refuses to curtail its over-drawal when the frequency is below 49.0 Hertz in spite of repeated request of NRLDC, which is responsible for real time grid management. If everybody started over-drawing under the pretext of shortage, then the grid would collapse. We have to live with the shortages or else arrange additional generating capacity, the Commission observed.

The Commission further decided to appoint Shri A.H.Jung, Member, CERC as adjudicating officer under Section 143 of the Electricity Act, 2003 to hold enquiry about the alleged violation of instructions of NRLDC by UPPCL during the month of April 2006. A penalty up to rupees 15 lakhs can be imposed under Section 143, if found guilty.

The Commission warned that it would come down heavily on any other State indulging in undisciplined grid behaviour. The Commission directed NRLDC along with Northern Regional Power Committee (NRPC) to closely monitor the grid behaviour of all the States of the Northern Region and promptly report violations to its notice.

Summing up:

-Commission imposes a penalty of rupees one lakh on UPPCL for undisciplined over-drawal of power during 27th to 30th April, 2006.

-Commission appoints Shri A.H.Jung, Member, CERC as adjudicating officer to hold enquiry under Section 143 of Electricity Act, 2003 on alleged violation instructions of NRLDC by UPPCL during the month of April 2006.

- NRLDC along with NRPC asked to monitor and promptly report Grid Code violations by any Northern Region State.

Sd/-
(A.K.Sachan)
Secretary