

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri A.H. Jung, Member**

**(Suo Motu)**

**In the matter of**

Indian Electricity Grid Code.

**ORDER**

By virtue of powers under Section 178 read with clause (h) of sub-section (1) of Section 79 of the Electricity Act, 2003 (the Act), the Commission has specified the revised Indian Electricity Grid Code (IEGC) which has been published in the Gazette of India (Extraordinary) Part III, Section 4 of 17.3.2006 and has come into force on 1.4.2006.

2. Clause 7.6.2 of the IEGC provides as under:

“The NR-WR and WR-SR exchanges of UI shall be at the UI rate in WR. All other UI exchanges shall be at the UI rate in ER. Payments for inter-regional UI exchanges shall be between the respective regional UI pool accounts, region-to-region.”

3. Power Grid Corporation of India the Central Transmission Utility, in its letter dated 5.4.2006 has observed that:

“Presently ER and WR are synchronously connected and have the same UI rate. By specifically mentioning the UI rate of ER and UI rate of WR, it appears that above mentioned clause is with reference to Hon’ble Commission’s intent to apply different UI rates in each region for transmission congestion

management and certain changes in the sharing of transmission charges/loss of inter-regional link and such associated issues.

Presently Northern and Southern Regional grids are asynchronously connected with the Central Grid (NER – ER – WR) through HDVC link. Mechanism of computation of UI for inter-regional exchanges between NR-WR, WR-SR, ER-SR and ER-NR are at the respective regional frequency and settled through respective region's UI pool account. The differential UI so generated in the inter-regional exchange (IRE) pool account is shared between the respective region on 50:50 basis and the benefit accrued is passed on the beneficiary of each region in proportion to their liability to pay the transmission charges. With the present IR transmission charges sharing formula and uniform UI price vector across all the regions, dispensing with concept of differential UI might result in sub-optimal operation.

The Hon'ble Commission vide clause 7.1(3) of the Revised IEGC has mentioned that the stipulations in chapter-7 may be supplemented by CTU (as operator of RLDCs) depending on operational needs.

**Quote**

*“The stipulations in this chapter may be supplemented by CTU (as operator of RLDCs) depending on operational needs. They may also need revision/updating as and when further inter-regional links come into operation. In due course, this responsibility may be transferred to the CTU and this chapter withdrawn from IEGC”*

**Unquote**

The implementation of clause 7.6(2) of the Revised IEGC, being a major conceptual change, requires thorough understanding of the implications, detailed discussions with the constituents and modification of the existing scheduling/accounting software etc.

Keeping in view the intent of the Hon'ble commission and provision under clause 7.1(3) of the revised IEGC, it is proposed to continue the existing practice of computation of UI for inter-regional UI exchanges. Hon'ble commission may look into the provision of clause 7.6(2) and may like to issue detailed directions considering the economy, efficiency and optimal use of inter-regional links and disbursement thereof. Any further input required by Hon'ble Commission in this regard will be provided by us”.

4. The Central Transmission Utility has made a request for issue of detailed directions considering the economy, efficiency and optimal use of inter-regional links

and disbursement thereof, in view of the provisions of Clause 7.6.2 of the IEGC reproduced at para 2 above.

5. The revised IEGC has been specified by the Commission after taking into account the provisions of the Act and the operational experience gained since issuance of the original IEGC. A new chapter (Chapter 7) on the inter-regional exchanges to cover the special considerations to be applied for operation of inter-regional links has been added. Clause 7.6.2 of the revised IEGC was intended to complement certain changes in transmission loss sharing formula for inter-regional links (which the Commission has been contemplating), and was to be supplemented by further provisions in the IEGC regarding sharing of savings effected through inter-regional UI energy flow. As these are yet to be finalized, it would only be reasonable to keep this clause in abeyance, particularly in view of the various difficulties cited by the CTU in its implementation. We, therefore, accept the request made by the CTU and order that its application shall be held in abeyance till further orders. In the meantime pre-existing practice of UI accounting for inter-regional exchanges shall continue w.e.f. 1.4.2006.

Sd/-  
**(A.H. JUNG)**  
**MEMBER**

Sd/-  
**(BHANU BHUSHAN)**  
**MEMBER**

Sd/-  
**(ASHOK BASU)**  
**CHAIRPERSON**

**New Delhi dated the 23<sup>rd</sup> June 2006**