

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 210/MP/2012

Coram:

**Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M. Deena Dayalan, Member**

Date of Hearing: 20.11.2012

Date of order: 29.11.2012

In the matter of

Petition for amendment to Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 amended from time to time read along with Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And

In the matter of

National Load Despatch Centre, New Delhi

....Petitioner

The following were present:

Shri S.K.Sonee, NLDC
Shri V.V.Sharma, NLDC.
Shri V.K.Agarwal, NLDC.
Miss Joyti Prasad, NRLDC
Shri S.S.Barpanda, NLRDC
Shri Rajiv Porwal, NRLDC

ORDER

The petitioner, National Load Despatch Centre has filed the present petition for amendment of Central Electricity Regulatory Commission (Indian



Electricity Grid Code) Regulations, 2009 (hereinafter referred to as the 'Grid Code') to incorporate the changes suggested in the petition:

2. The petitioner has also submitted that in the wake of recent grid disturbance, the Government of India had appointed an Enquiry Committee under Chairmanship of Chairman, CEA. The Enquiry Committee has identified overdrawal as one of the causes of grid disturbance. The enquiry Committee has *inter-alia* recommended as under:

"9.2.2 Frequency band needs to be further tightened and brought closure to 50 Hz. POSOCO may file an urgency application in Supreme Court for early resolution of the issue in view of the recent grid disturbances.

9.2.2 A review of UI mechanism should be carried out in view of its impact on recent grid disturbances. Frequency control through UI may be phased out in a time bound manner and generation reserves/ancillary services may be used for frequency control. Appropriate regulatory mechanism needs to be put in place for this purpose. POSOCO should take up the matter with CERC."

3. The petitioner has submitted that apart from tightening of frequency band and imposing volume limits on UI, plan for procurement through long-term/ medium term transactions should be at least for 90% of the projected demand and plan for short term transaction should not exceed 10% of the projected demand. The petitioner has submitted that the complementary commercial mechanism provided in the Grid Code should be made part of the UI Regulations and the provisions regarding reactive energy charges should be made part of the Ancillary Services Regulations. Accordingly, the petitioner has requested to amend the relevant provisions of the Grid Code

and include suitable provision in the Ancillary Services Regulations which is under consideration of the Commission.

4. During the course of hearing of the petition, the representative of the petitioner submitted that the purpose of the present petition is to bring to the notice of Commission the difficulties being faced by the system operator for operation of the grid so that necessary process to amend the relevant regulations is initiated by the Commission.

5. We have perused the petition and heard the representative of the petitioner. After going through the contents of the petition, it appears to us that the petitioner is seeking amendments to certain provisions of the Grid Code in order to address the problems arising out of the requirements to operate the grid in a safe and secure manner and maintain the frequency. Without going into the merit of the issues raised, we intend to clarify that filing of the petition is not the proper process for initiating the amendment to the existing regulations. The Commission under Section 178 of the Act has been vested with the power to make, amend and repeal the regulations on the subjects which have been authorized under various provisions of the Act. Action to make or amend the regulations is initiated when the Commission is satisfied that there is need for such regulations or amendment to the regulations. The petitioner being a statutory body and vested with specific statutory functions is at liberty to approach the Commission with concrete proposal for making any regulations or for amendment of any regulation which is considered necessary to enable it to discharge its statutory

functions effectively. There is no requirement to file a petition for the purpose.

6. The representative of the petitioner submitted that a self-contained proposal has been made out in the petition for amendment of the Grid Code and for making necessary provisions of the Ancillary Services Regulations. Noting the submission of the petitioner, we direct that the present petition be treated as a proposal of POSOCO for amendment of the Grid Code and further direct the staff to examine the proposal and submit to the Commission for consideration in a time-bound manner. Staff is further directed to examine the proposal of POSOCO for incorporation of appropriate provisions in the draft regulations on Ancillary Services. POSOCO is permitted to submit further information as may be considered necessary in furtherance of the proposal.

7. The petition is disposed of terms of the above.

Sd/-
(M.Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson

