

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Draft 'Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Third Amendment) Regulations, 2014'

EXPLANATORY MEMORANDUM

1. Background

1.1. In exercise of powers under Section 178 of the Electricity Act, 2003, the Commission had notified the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and subsequent amendments (hereinafter referred to as "the Open Access Regulations").

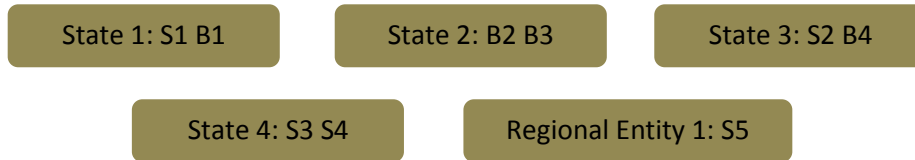
1.2. Regulation 17 of the Open Access Regulations specifies the operating charges to be paid for the bilateral and the collective transactions for State and National / Regional Load Despatch Centre(s). As per the notes to the same regulation, operating charges are defined as:

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

1.3. In case of collective transactions, ₹5000/- per day has to be paid to by each power exchange to the National Load Despatch Centre ("NLDC") for each state involved. All buyers within a state are clubbed together (referred to as 'regional entity buyer' hereinafter) and all sellers within a state are clubbed together (referred to as 'regional entity seller' hereinafter) and each group is counted as a single entity by NLDC for levy of operating charges and for scheduling. Also ₹2000/- per day is payable by the customers for each point of transaction for the State Load Despatch Centre involved.

1.4. In case of bilateral transactions, operating charges at the rate of ₹2000/- per day or part of the day for each of the Regional Load Despatch Centre involved and at the rate of ₹2000/- per day or part of the day for each State Load Despatch involved is payable by the applicant.

1.5. For the purpose of allocation of operating charge among its individual customers, these charges paid by the power exchange to NLDC are divided equally amongst all successful participants on the day. This is illustrated below through an example: Suppose on a particular day, the following set represents successful sellers and buyers on a particular exchange



S denotes sellers and B denotes buyers

Regional entity buyers are State 1, State 2, State 3 (Total # 3)

Regional entity sellers are State 1, State 3, State 4, Regional Entity 1 (Total # 4)

Total number of successful participants is nine (9) (S1, S2, S3, S4, S5, B1, B2, B3 & B4)

(i) NLDC scheduling and operating charges payable by the exchange

$$= ₹5000 \times (3+4) = ₹35000$$

(ii) NLDC scheduling and operating charges collected from each participant

$$= ₹35000/9 = ₹3889 \text{ (approx.)}$$

1.6. Power Exchange India Limited (PXIL) filed a petition 124/MP/2013 with the Commission to prescribe a methodology for allocation of NLDC operating charges that presently is not defined in the Open Access Regulations.

1.7. The petition was disposed of, directing the staff of the Commission to undertake historical data analysis of operating charges of Power Exchanges, traders, revenue earned by NLDC from short-term transactions and to submit a proposal for amendment of Regulation 17 of the Open Access Regulations for consideration of the Commission within one month of issue of the order. The operative portion of the order dated is as follows:

"In view of the above, there is a case to relook at the level of operating charges as well as the nature in which these charges are presently being imposed. 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 existing regulations. Accordingly, we direct the staff to undertake

historical data analysis of operating charges of Power Exchanges, traders, revenue earned by NLDC from short term transactions. PXIL.IEX, NLDC and RLDCs are also directed to furnish historical data from 1.4.2010 on operating charges of collective transactions and bilateral transactions within 15 days of issue of the order. The staff shall submit a proposal for amendment of Regulation 17 of the Open Access Regulations for consideration of the Commission within one month of issue of the order"

2. **Determination of the methodology for levy of NLDC Operating Charge**

2.1. For arriving at a methodology for defining allocation of NLDC operating charges, the following alternatives are evaluated on the basis of data received from the power exchanges for the period 1.8.2012 - 31.7.2013

2.1.1. **Alternative 1: Continue with the present practice of operating charge being levied on each regional entity by NLDC and the total operating charge payable by exchanges being allocated amongst their respective successful participants. However, reduce the NLDC operating charge from ₹5000 to ₹2000 per regional entity in view of economies of scale achieved in exchange based collective transactions.**

NLDC schedules transactions at regional entity level and levies operating charge (on the principle of cost to schedule) on these entities. It is pertinent to note that the participant mix on the exchanges has changed since their inception and today small embedded open access consumers form a large proportion of power exchange customers. Levying a flat regulatory charge at regional level does not take into consideration the new participant mix and has led to an unintended competitive advantage of one exchange over the other. On one hand the reduction in charges from ₹5000 to ₹2000 would lower the operating charges being paid by the end customers but on the other hand it would fail to address the ills of current mechanism. It would be therefore prudent to levy charge at the end customer level instead of levying at the regional level.

2.1.2. **Alternative 2: Levy operating charges on per participant basis irrespective of power exchange the participant is trading on.**

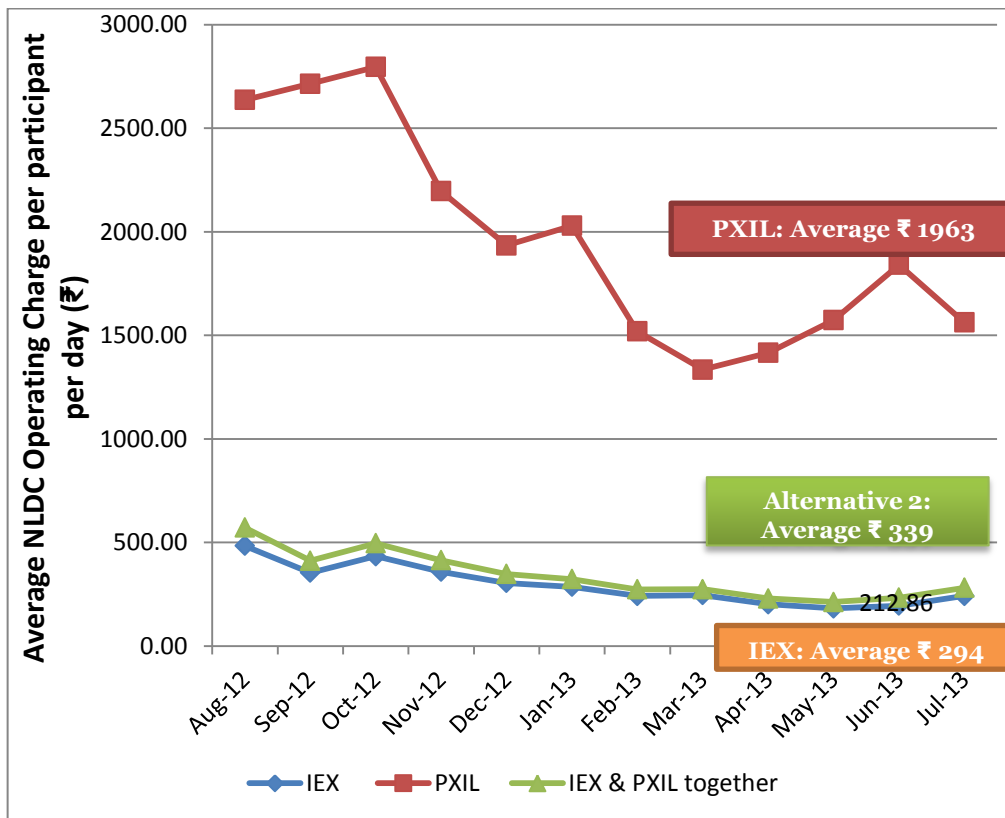
The chart below shows the average operating charge paid by the participants trading on IEX, on PXIL and as per Alternative 2. Following formulas have been used to arrive at the chart.

(i) NLDC operating charge/day per customer paid during month = sum of NLDC operating charge paid during the month / sum of all successful participants during the month*

(ii) Average operating charge/day paid during the period = Average of NLDC operating charge/day per customer for each month from August 2012 till July 2013

(iii) For Alternative 2, NLDC Operating charge is considered as the sum of NLDC operating charge paid by both the Exchanges and sum of all successful participants is the cumulative number of successful participants on both the exchanges together

Figure : NLDC operating charge per participant per day



In the above period

- the operating charge paid by customer of PXIL is about 6.5 times of that paid by an IEX customer

* Same customer emerging as a successful participant on different days is considered as a different successful participant during the month. For instance, participant successful on 5 days in a month is considered as 5 successful participants during the month.

- Alternative 2 is mirroring the IEX graph since IEX has the majority market share (more than 95% in 2012-13).

Alternative 2 seems to be a preferable option since NLDC operating charge levied on participants of both the power exchanges is same and is levied at the end customer level. The fallout of this alternative is that it places all customers on an equal footing irrespective of their transaction quantum, i.e. a small open access consumer (say trading about 10 MWh) and a distribution company (say trading about 4000 MWh) both pay the same amount of operating charge to the exchange.

2.1.3. Alternative 3: Do not levy any operating charge on short term open access customers.

NLDC&RLDC recover all their operating expenses (system operation and market operation charges) through Central Electricity Regulatory Commission (fees and charges of Regional Load Despatch Centre and other related matters) Regulations, 2009. The short term operating charges collected from the power exchanges and the licensed traders are deposited in the LDC development fund of POSOCO as per regulation 9 of the fee and charge regulations.

Removing levy of operating charge on short term customers would be justifiable for entities like distribution companies (discoms) which are medium or long term customers along with them being short term customers. The discoms pay system operation and market operation charge as is required under the aforementioned fee and charges regulation. The downside of removal of levy of charges is that majority of the participants on the exchanges like the open access consumers and captive power producers would become free riders on the system. Hence, operating charges in some form should continue to be levied on the short-term customers.

2.1.4. Alternative 4: Levy operating charges in proportion to the scheduled energy irrespective of power exchange the participant is trading on.

To meet the twin objectives of participant paying the same amount of operating charge irrespective of the power exchange it is trading on and that the operating charges are paid based on the quantum of volume

cleared, the operating charges can be levied on per MWh basis. This per MWh operating charge would translate into operating charge paid by the participant based on its volume of scheduled transaction. This would mean that operating charge payable for a small quantum transaction would be lower in comparison to the charge payable for a large quantum transaction in absolute terms though the charge payable as a percentage of transaction volume would be same for all customers. This alternative would bring in certainty and predictability in applicable operating charge which today is varying on a daily basis for a participant on exchange platform. To ensure that the charges do not become very high in case of large transaction size, a maximum operating charge cap shall also be imposed. It is noteworthy to mention that most charges in short term power markets are based on scheduled energy. For instance, power exchange transaction charge, traders' transaction charge, trading margin and transmission charge are based on quantum of scheduled energy. Hence, this alternative is in alignment with the present practice in the industry.

2.1.5. **Final Proposal:** To summarize, the present practice of levying operating charge by NLDC is based on the principle of "cost to serve" a regional entity. The total NLDC operating charge so arrived at is allocated among the successful participants by the exchanges. Since NLDC recovers all its operational cost through other revenue streams, using "cost to serve" principle may not be appropriate here. Creating a level playing field among all market infrastructure institutions and levying the same rate of operating charge (in ₹/MWh terms) for all end consumers seems to well serve the intent of inducing competition in power markets and is in interest of the consumer. **Hence, Alternative 4 of levying operating charge on per MWh of scheduled energy to the end customer is being proposed.** The power exchanges shall collect the charges from the successful participants and would pass it on to the NLDC.

2.2. **Operating charges for Bilateral Transactions:** It is important to ensure that RLDC operating charges for bilateral transactions are also reviewed so that there is a level playing field amongst all short term market participants and operating charges which is a regulatory fiat is not a factor influencing the choice of trading platform. Hence, the principle of levying operating charge in proportion to the scheduled energy should be applicable to bilateral transactions also. **It is thus proposed that**

Alternative 4 of levying operating charge on the applicant on the basis of scheduled energy is used for bilateral transactions also.

2.3. **Cap rate:** To ensure that the operating charges do not become very high, a maximum cap on payable operating charges shall also be imposed for both collective transactions and bilateral transactions. The cap would reduce the burden on large sized transactions. This is particularly relevant for traders since the size of bilateral transactions undertaken by them are larger relative to power exchange transactions. This is further important since the bilateral transactions frequently have sellers and buyers situated in different regions and the applicant has to pay RLDC charges for both the buyer & the seller regions and intervening regions, if any. It is proposed that the maximum operating charge paid by an open access consumer in either bilateral or collective transaction is same and it is not higher than the operating charge being levied presently. Presently, an applicant in bilateral transaction pays ₹2000 for each regional load dispatch centre involved and an open access customer on exchange platform pays a maximum of ₹5000 to the NLDC. In view of these facts, it is proposed that ₹2000 of maximum operating charge per regional load dispatch centre is levied on an applicant in case of bilateral transaction and ₹2000 of maximum operating charge is levied on customers (individually) towards NLDC operating charge for collective transactions on a daily basis.

2.4. **Methodology for calculation of the ₹/MWh operating charge:** In light of the matter discussed in point 2.1 & 2.2, the operating charge per MWh is calculated as per the following methodology / formula and the resultant value is shown below through an illustration.

2.4.1. Operating charge (₹) /MWh = (Total operating charges paid to NLDC & RLDC by power exchanges & traders for collective & bilateral transactions in ₹) / (Volume cleared on both power exchanges + Bilateral Transaction Volume in MWh).

2.4.2. A historic analysis of the actual data collected from IEX, PXIL and NLDC has been done. While the data is available for the period 1.4.2010 - 30.11.2013, the analysis has been done for one-year period from 1.8.2012- 31.7.2013. The period for analysis has been chosen to account for current volume of transactions and NLDC/RLDC operating charges being paid in view of its relevance for future projections. The duration of one year period has been considered to smoothen fluctuation in data pattern that might be attributed to seasonality etc.

The table below shows data set for the period 1.8.2012-31.7.2013.

Month	Bilateral Transaction		Power Exchange Transaction		Bilateral + Power Exchange Transactions
	RLDC Operating charges (₹ in lakh)	Approved Energy (MUs)	NLDC Operating charges (₹ in lakh)	Approved Energy (MUs)	Operating charges/MWh (₹/MWh)
Aug-12	180.18	5425.24	94.00	1860.95	3.76
Sep-12	152.14	4635.09	86.25	1909.61	3.64
Oct-12	102.64	3314.80	100.85	2300.93	3.62
Nov-12	132.28	3943.61	99.40	2186.13	3.78
Dec-12	149.38	4318.50	100.15	2314.61	3.76
Jan-13	149.60	4506.56	101.90	2098.59	3.81
Feb-13	119.86	3837.71	85.45	2012.40	3.51
Mar-13	147.08	3731.39	93.00	2324.35	3.96
Apr-13	134.88	3504.79	80.65	2576.54	3.54
May-13	188.76	4218.16	83.30	2572.52	4.01
Jun-13	156.00	5017.66	88.95	2167.76	3.41
Jul-13	189.54	6637.30	100.55	2357.72	3.23
Total	1802.34	53090.81	1114.45	26682.11	3.66 (Average operating charge)

Source: NLDC

The average operating charge in ₹/MWh for the period August 2012 – July 2013

$$= ₹(1802 + 1114.45) \times 100000 / (53090.81 + 26682.11) \times 1000 \text{ MWh}$$

$$= ₹3.66/\text{MWh}.$$

3. Reducing the operating charges

3.1. The table below depicts various scenarios of operating charge / MWh calculated in Point 2.4.2 (₹3.66/MWh) as a percentage of different plausible discovered/ transacted prices.

Discovered Price/ Transacted price on PX (₹/MWh)	Scenario 1: ₹0.91/ MWh (25% of 3.66)	Scenario 2: ₹1.83/ MWh (50% of 3.66)	Scenario 3: ₹2.74/MWh (75% of 3.66)	Scenario 4: ₹3.66/MWh (100% of 3.66)
1000	0.09%	0.18%	0.27%	0.37%
2000	0.05%	0.09%	0.14%	0.18%
3000	0.03%	0.06%	0.09%	0.12%
4000	0.02%	0.05%	0.07%	0.09%
5000	0.02%	0.04%	0.05%	0.07%
6000	0.02%	0.03%	0.05%	0.06%
7000	0.01%	0.03%	0.04%	0.05%
8000	0.01%	0.02%	0.03%	0.05%
9000	0.01%	0.02%	0.03%	0.04%
10000	0.01%	0.02%	0.03%	0.04%

3.2. The volume of short term transactions (through trading licensees and power exchanges) have increased from 24.69 BUs in Aug 2008-Mar 2009 to 59.66 BUs in 2012-13, i.e. it has more than doubled in this period, accompanied with significant increase in the number of participants in the short term market. But this increase has not led to a linear increase in scheduling and operating transaction costs since these charges are levied at regional entity level (the level at which the groups of buyers and sellers within a state are clubbed). Like other regulated entities, NLDC recovers all its operational expenses. The aforementioned factors deem a review of the operating charges paid to the NLDC/RLDC. In order to bring down the transaction charge, the operating charge per MWh calculated as per formula mentioned in 2.4.1 is being reduced by 50%. This reduction would bring the operating charges in the range of 0.02-0.18% of the transaction/discovered price as depicted in the table above. Further, this will be rounded down (in this case to ₹1.80/ MWh) for ease as is a general practice. **Hence, the operating charge per MWh for each of the successful buyer or seller on power exchange or applicant (for bilateral transaction) as per the proposed procedure is ₹1.80/MWh**

3.3. In view of the consultative process involved and the time that may elapse in finalization of the draft regulation, the one year period to be taken would be such that, the last month of the one year period would not be more than 3 months old before publication of the order. The period of one year shall be used to arrive at the rate (operating charge/MWh). **Hence, the rate (operating charge / MWh) published in an order of the Commission could vary slightly from the one proposed in section 3.2.**

4. Illustration of operating charge payable in case of bilateral transaction and collective transaction:

Assume that

- (i) the rate for calculation of NLDC, RLDC & SLDC operating charge is ₹1.80/MWh;
- (ii) the PoC loss for calculation of net energy scheduled by any State is 5%. (In reality, the PoC losses are State specific and therefore it may be different for different States)

(a) Operating charges payable for bilateral transaction

- i. Illustration 1: A bilateral transaction of 50 MW for Round the Clock (RTC) supply of power for 7 days is scheduled to flow from Northern region to Southern region via Western region.

Particulars	Calculation
Energy Scheduled per day	= 50x24 MWh = 1200 MWh
RLDC Charges	
RLDC operating charge/day payable @ ₹1.80/MWh by the applicant for each RLDC	= ₹1.80x1200 = ₹2160 (₹2000 payable per RLDC per day owing to the imposed cap)
RLDC operating charge/day payable to the nodal agency (In this case nodal agency(SRLDC) collects operating charges for all three Regional Load Dispatch Centres - NRLDC,WRLDC and SRLDC and hence a multiplicative factor of 3 has been used)	= ₹2000 x 3 = ₹6000
RLDC operating charge payable for 7 days (assuming scheduled energy to be same for all days)	= ₹6000x7 = ₹42000 (₹14000 per RLDC for 7 days)
SLDC Charges	
SLDC operating charge/day payable to each SLDC involved	= ₹1.80x1200x95% = ₹2052 (₹2000 payable to each SLDC per day owing to the imposed cap)
SLDC operating charge payable to each SLDC involved for 7 days (assuming scheduled energy to be same for all days)	= ₹2000x7 = ₹14000

- ii. Illustration 2: A bilateral transaction of 50 MW for 4 hours (Peak hours) for 7 days is scheduled to flow from Northern region to Southern region via Western region.

Particulars	Calculation
Scheduled energy per day	=50x4 MWh =200 MWh
RLDC Charges	
RLDC operating charge/day payable @ ₹1.80/MWh by the applicant for each RLDC	= ₹1.80x200 = ₹360
Operating charge/day payable to the nodal agency by the applicant (In this case nodal agency(SRLDC) collects operating charges for all three Regional Load Dispatch Centres - NRLDC,WRLDC and SRLDC and hence a multiplicative factor of 3 has been used)	= ₹1.80x200x3 = ₹1080
RLDC Operating charge payable for 7 days (assuming scheduled energy to be same for all days)	= ₹1080x7 = ₹7560 (₹2520 per RLDC for 7 days)
SLDC Charges	
SLDC operating charge/day payable to each SLDC	= ₹1.80x200x95% = ₹342
SLDC operating charge payable to each SLDC for 7 days (assuming scheduled energy to be same for all days)	= ₹342x7 = ₹2394

(b) Operating charges payable for collective transaction

For collective transaction (i.e. day ahead market) if a consumer buys different quantum of energy in separate 15 minute time blocks of a day then the scheduled energy for the day shall be aggregation of scheduled energy in each block over the 24 hours for which day ahead auction is conducted. For a customer with the following hypothetical case

Time Block	Buy Quantity (MW)	Scheduled Energy (MWh)
00:00-00:15	5	1.25
09:00-09:15	10	2.50

Time Block	Buy Quantity (MW)	Scheduled Energy (MWh)
11:45-12:00	5	1.25
14:15-14:30	10	2.50
16:15-16:30	8	2.00
16:30-16:45	10	2.50
16:45-17:00	16	4.00
Other blocks	0	0.00
Total	64	16.00

(i) NLDC operating charge payable by the consumer to Power Exchange for the particular day = ₹1.80x16 = ₹28.8

(ii) SLDC operating charge payable by the consumer for the particular day
= ₹1.80x16x95% = ₹27.36

(This charge shall be applicable only if SLDC operating charge is not notified by the respective State Commission)

5. In order to have operational flexibility, it has been decided to lay down the principles of levying of operating charges in the regulations while the rate (operating charge/MWh) would be notified through orders of the Commission. This would also allow revision of rate (operating charge/MWh) in case of change in the business scenario.
6. From the operational procedure perspective, since NLDC would be cognizant of the total MWh cleared on power exchange or transacted through licensed traders, the total operating charges paid to NLDC/RLDC can be easily reconciled.

7. SLDC Operating charges

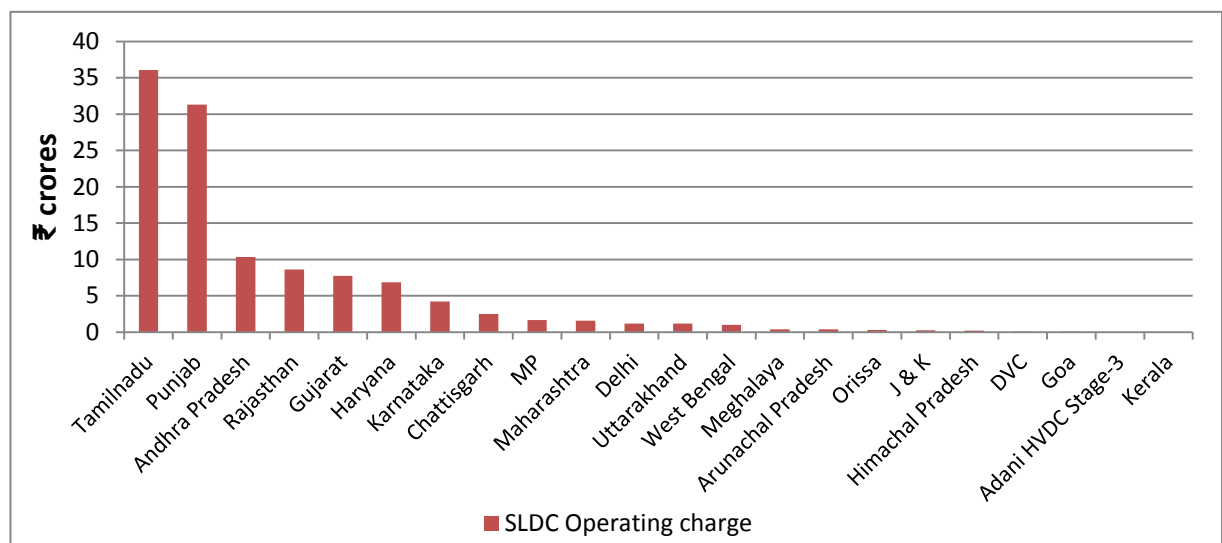
7.1. Present charges

The present operating charges for each SLDC involved stands at ₹ 2000 per day or part of the day for each point of injection or drawal in state network for both bilateral and collective transactions. This is paid by the applicant in case of bilateral transaction and by buyer and seller in power exchange for collective transaction.

7.2. SLDC Operating charges data analysis

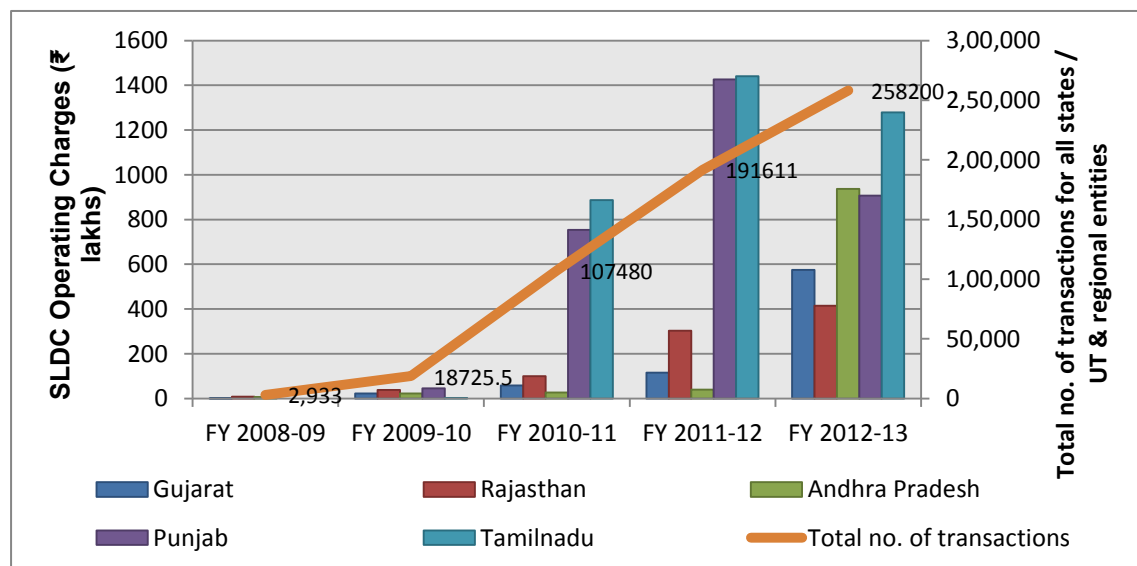
The data used for analysis is the total SLDC charges paid by customers of IEX and PXIL for FY 2008–09 till FY 2012- 13. The SLDC charges paid by trader have not been included in the analysis. It may be noted that the annual number of transactions undertaken for the period FY 2008-09 till 2012-13 has been arrived at by dividing the total annual operating charges paid by exchanges to SLDCs by per transaction operating charge of ₹2000 collected by the SLDCs. It can be observed that over the period the number of short term transactions have increased manifold and the hence revenue earned by SLDC through the operating charges has also increased as depicted in the graphs below:

SLDC operating charges paid to states for FY 08-09 to FY 12-13



Source : IEX &PXIL

SLDC Operating charge & total transactions trend for FY 08-09 to FY 12-13



Source : IEX &PXIL

The number of participants in power exchange has also increased significantly and presently stands as follows:

Type of customer details as on 15.10.2013 on IEX		Type of customer details as on 15.10.2013 on PXIL	
Category of Participants	Number	Category of Participants	Number
Captive Power Plants	169	Captive Power Plants	6
Captive Power Plants + Industrial Consumers	48	Captive Power Plants + Industrial Consumers	110
Industrial consumers	2440	Industrial consumers	238
Independent Power Producers	49	Independent Power Producers	8
Interstate/Central Generating Stations	18	Interstate/Central Generating Stations	0
Private Distribution	10	Private Distribution	15
State Utility	31	State Utility	32
Total	2765	Total	409

7.3. Rationale for reducing SLDC operating charge

As shown in the preceding paragraphs, the numbers of short-term transactions & open access consumers participating on the exchange platform have increased significantly leading to a substantial income earned by the SLDCs on account of the present ₹2000 flat operating charges levied on short-term consumers. The Open Access Regulations allow SLDCs to collect operating charges towards "cost to serve" open access customers for work involved in processing open access application, undertaking load flow studies on their network, etc. SLDC operating charges at the current levels (i.e. ₹2000/transaction/day) form a significant portion of transaction charges for a small open access customer (like 1-5 MW). This is illustrated with an example below:

If a 1 MW consumer procures power for 5 hours in a day at ₹4/unit, then the power procurement cost is ₹1x5x4x1000 = ₹20,000per day and SLDC operating charge is ₹2000/day. The SLDC operating charge alone is 10% of the power procurement cost. It may be noted that this operating charge is in addition to other charges levied on consumers like state transmission charge, NLDC operating charge , POC transmission charges etc.

In view of the above and with intent of making the charge a function of volume procured by a consumer or generator as the case may be, it is proposed that SLDC operating

charge is levied on ₹/MWh instead of present charge of ₹2000/transaction/day. This levying of SLDC operating charge on ₹/MWh basis is in line with the proposed methodology for levying of NLDC operating charges. Operating charges levied would be based on energy scheduled by the SLDC for the respective customer at the state periphery adjusted for PoC losses. The following table depicts SLDC operating charges for a day for various quantum of energy procured (at state periphery) and at different levels of operating charges. The quantum of volume procured is for 1-10 MW of customers with a requirement for 12 hours in a day.

Table: SLDC charge scenarios for entities of 1 to 10 MW size for power procurement of 12 hours in a day

SLDC operating charges (₹/MWh)	Energy procured (MWh)									
	1x12=12	2x12=24	3x12=36	4x12=48	5x12=60	6x12=72	7x12=84	8x12=96	9x12=108	10x12=120
1.80	21.6	43.2	64.8	86.4	108	129.6	151.2	172.8	194.4	216
2	24	48	72	96	120	144	168	192	216	240
5	60	120	180	240	300	360	420	480	540	600
10	120	240	360	480	600	720	840	960	1080	1200

The average quantum of power procured per hour may vary from state to state depending on the requirement of the consumers. We observe from the table above that the SLDC operating charge for 12 hours for consumers of 1-10 MW at ₹1.80/MWh is in the range of ₹21.6 to ₹216 per day which is a substantial decrease from the existing ₹2000/day/transaction.

7.4. Final Proposal

We propose SLDC operating charge as ₹1.80/MWh. This will be same as the value arrived at for NLDC operating charge. The rationale for having the same charge is that the scheduling services are similar for both system operators. Also, CERC as central regulator does not monitor state level/ intra-day transactions and hence does not have ready access to each states transaction data and hence the NLDC data is being used. At the same time, it is desired that the SLDC operating charge does not form a high proportion of power procurement cost. The revised SLDC operating charge will continue to be applicable for both bilateral transaction and collective transaction. On lines of NLDC & RLDC operating charges, the SLDC operating charge would also be capped to ensure that the charges do not become very high in case of higher procurements or higher generation. In view of this, it is proposed that ₹2000 of maximum SLDC operating charge per SLDC involved is levied on an applicant or buyer and seller as the case may

be in case of bilateral transaction and ₹2000 is levied on customers (individually) of power exchange for collective transactions on a daily basis.

8. It is, therefore, proposed to replace the existing Regulation 17 of the Open Access Regulations with the amendments proposed in Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Third Amendment) Regulations, 2014.
9. National Load Despatch Centre Operating Charges, Regional Load Despatch Centre Operating Charges and State Load Despatch Centre Operating Charges are not clearly defined in the Open Access Regulations. For the purpose of clarity, it is proposed to define both National Load Despatch Centre Operating Charges and State Load Despatch Centre Operating Charges by amending Regulation 2 of the Open Access Regulations.
10. Regulation 8(3)(a) of the Open Access Regulations required an open access applicant to submit an affidavit for sale of power. With the advent of power exchanges and increase in short term electricity transaction volume in the country, many open access consumers now purchase power from the power exchanges and in the bilateral market. In light of this fact and to remove any ambiguity, it is proposed to include provision for affidavit for 'purchase' of power mentioned in Regulation 8(3)(a) of the Open Access Regulations.
