

**Central Electricity Regulatory Commission
New Delhi**

Public Notice

June 23, 2006

**Subject: Invitation of comments/suggestions on proposal to amend the
Indian Electricity Grid Code (IEGC) : Regional Energy Accounting**

BACKGROUND

Under directions of the Commission, Power Grid Corporation of India Ltd (PGCIL) in its capacity as the Central Transmission Utility (the CTU) had submitted a draft of Indian Electricity Grid Code (the IEGC) in April, 1999. After detailed deliberations, the Commission had approved the IEGC and it was issued in January 2000. The IEGC was subsequently revised with the approval of the Commission vide order-dated 22.2.2002, and became effective from 1.4.2002.

2. The Electricity Act, 2003, (the Act) came into force from 10.6.2003. One of the functions assigned to the Commission under sub-section (1) of Section 79 of the Act is to specify Grid Code having regard to Grid Standards. The Commission prepared a draft IEGC taking into account various provisions of the Act and the operational experience gained since 2002 and it was issued in June 2005 for public comments. The IEGC was finalized in December 2005 and it became effective from 1.4.2006.

REGIONAL ENERGY ACCOUNTING (REA)

3. The function of preparation of REA was being carried out by the Regional Electricity Boards (REBs) for the past several decades prior to April 1, 2006. After implementation of Availability Based Tariff (ABT), besides function of REA, preparation of weekly UI and Reactive Energy Accounting were also being carried out by the REBs in accordance with clause 2.3.2 of the IEGC issued in March 2002. Clause 2.3.2 is extracted below:

“2.3.2 The following functions which go to facilitate the smooth operation of the systems are identified for the Regional Electricity Boards (REBs):

....
(4) Regional energy accounting including operation of Pool Account,
....”

4. In the draft IEGC issued in June 2005, the above clause 2.3.2 item (4) was deleted in the light of the provision of clause 28(3)(c) of the Electricity Act, 2003. However, the REA was retained with the Regional Electricity Board (REB)

/ Regional Power Committee (RPC) for the sake of continuity. Clause 2.3.3 of IEGC draft and para 6 of the attached Background Note are quoted below:

“2.3.3 – Regional Energy Accounts and weekly statements of UI charges and VAR charges shall continue to be prepared by the concerned REB/RPC Secretariat, for the present.”

“6 As per Section 28(3) (c) of the Electricity Act, 2003, the Regional Load Despatch Centres (RLDC) shall “keep accounts of quantity of electricity transmitted through the regional grid”, where as preparation of Regional Energy Accounts hitherto been a responsibility of the REB Secretariats. For the sake of continuity, preparation of final Regional Energy Accounts and weekly statement of UI charges and VAR charges has been retained in the scope of REB/RPC Secretariat.”

5. Regional Power Committees for the five (5) Regions were established by the Govt. of India through Resolutions dated 25.5.2005. The functions to be discharged by the RPCs were listed out in these Resolutions, and regional energy accounting was not assigned to the RPCs. Another set of resolutions were issued by the Ministry of Power on 29.11.2005, to amend some of the provisions in Gol Resolutions dated 25.5.2005 mentioned above. However, no change was made in the list of functions to be discharged by the RPCs.

6 It was in view of the above that while issuing the final IEGC, the above quoted provision in clause 2.3.3 of IEGC draft was dropped and the REA function was assigned to the RLDC vide clause 6.4.15 and para-5 of Annexure-1 of chapter-6 of the IEGC as follows:

“15. The RLDC shall be responsible for computation of actual net MWh injection of each ISGS and actual net drawal of each beneficiary, 15 minute-wise, based on the above meter readings and for preparation of the Regional Energy Accounts. All computations carried out by RLDC shall be open to all constituents for checking/verifications for a period of 15 days. In case any mistake/omission is detected, the RLDC shall forthwith make a complete check and rectify the same.”

“5. Regional Energy Accounts and the statement of UI charges shall be prepared by the RLDC on a weekly basis and these shall be issued to all constituents by Saturday for the seven day period ending”

Para-6 of the Background Note of the final IEGC effective from 1.4.2006 is quoted below:

“6. As per Section 28(3) © of the Electricity Act, 2003, the Regional Load Despatch Centres (RLDC) shall “keep accounts of quantity of electricity transmitted through the regional grid”. Accordingly, the responsibility of preparation of Regional Energy Accounts hitherto with the REB Secretariats, shall stand transferred to the respective RLDC with effect from 01.04.2006.

This has been explained in detail at para 15 to 19 of the Commission's Statement of Reasons for Revision of IEGC issued on 17.2.2006.

Further Suggestions from stakeholders

7. The Commission has now received a communication from Ministry of Power interalia suggesting as follows;

"4. The matter has been considered in this Ministry. In view of the provisions of the Electricity Act 2003, Regional Energy Accounting does not come within the purview of the RPC.

In the past, Secretariats of erstwhile Regional Electricity Boards have been discharging the function of Regional Energy Accounting. In view of this past practice, it has been suggested that the function of the Regional Energy Accounting be entrusted to the Secretariats of the RPCs.

Further, in accordance with the National Electricity Policy, the Central Government is in the process of reviewing the present arrangement of the RLDCs being operated by the Central Transmission Utility.

5. In view of the above, the Secretariats of the RPCs (not the RPCs) may be allowed to discharge the function of Regional Energy Accounting for the time being. This regional accounting would be done by the Secretariats of the RPCs on the basis of data and analysis provided by the respective RLDC. This is a temporary arrangement and will be reviewed shortly by the Government."

Representations from the Central Electricity Authority and Northern Regional Power Committee have been received requesting the Commission to amend the regulation regarding responsibility of preparation of REA as suggested by the Ministry of Power. National Thermal Power Corporation Ltd. Has also requested that REA should be issued by the Secretariat of the RPC.

8. The Commission would like to seek the comments/suggestions of the stakeholders on the suggestion made at Para-7 to enable it to take a view in the matter. Comments may be sent latest by July 10, 2006.

Sd/-
(A.K. Sachan)
Secretary