

## IEGC Order

In April 1999, Power Grid Corporation of India Ltd. (PGCIL), in its capacity as the Central Transmission Utility (the CTU), submitted a draft Indian Electricity Grid Code (the IEGC). The draft IEGC filed by the CTU was treated as a petition (No 1/99) by the Commission and heard accordingly. The Commission vide its order dated 30.10.1999, ordered the CTU to revise the draft IEGC earlier filed by it in the light of the directions contained therein. The directions were to be complied within 15 days.

2. The CTU, filed a "petition" requesting for the Commission's approval to the revised IEGC (November, 1999), filed by it, without incorporating all the directions of the Commission contained in its order dated 30.10.1999. The nature of the petition not being clear, was treated as a review application seeking review of the Commission's order dated 30.10.1999. The Commission pointed out to the petitioner several deficiencies which would not warrant the petition to be admitted as a review petition. It was pointed out that a large number of issues were sought to be re-agitated on merits. The petition was also conditional to the subsequent approval being obtained from the Government of India by PGCIL. This review application was subsequently withdrawn by the CTU. The petitioner was also permitted extension of time till 7<sup>th</sup> December, 1999 for compliance of the Commission's directions.

3. The CTU filed the IEGC (December, 1999) on 7.12.1999, along with an application (No. 26/99) seeking approval to the IEGC (December, 1999) for circulation, with the following additional prayers:

(a) The CTU be granted time extension for compliance of directions contained in paras 5.7, 5.13, 6.2, 7.7 and 7.17 of the Commission's order dated 30.10.1999,

(b) Clarifications/suggestions be furnished against paras 1.10, 3.18 and 8.3 of the order, and

(c) The modifications to Sections 3.1(iii), 3.5(b) of the draft IEGC be permitted.

4. The Commission, vide its order dated October 30, 1999 has directed that the IEGC shall come into force w.e.f. 1.1.2000. The Commission has also directed constitution of a review panel to study the working of the IEGC and make appropriate recommendations for updating the IEGC. In accordance with the directions of the Commission, the CTU is to submit the reviewed code to the Commission by 1.5.2000. It is in this context that the CTU has sought the extension of time upto May, 2000 for compliance of directions contained in paras 5.7 (preparation of agreement and its approval by the Commission), 5.13 (provisions for putting free governors in action), 6.12 (incorporating appropriate clause to ensure compliance with operating procedures), 7.7 (incorporation of details of metering scheme, etc.) and 7.17 (revised provisions regarding operation of pool account and VAR charges). The Commission on careful consideration of the matter, allows extension of time upto May 2000 or the date when the Commercial Mechanism i.e. the ABT system will be made effective whichever is earlier. It is directed that while submitting the reviewed code in compliance with the directions contained in para 8.7 of the order dated 30.10.1999, the CTU shall also report compliance with the directions contained in above referred paras, for which the extension of time has been sought and has been allowed by the Commission .

5. In para 1.10 of the order dated 30.10.1999, the Commission had directed the CTU to constitute a Committee with its own representative and the representatives of the REB Secretariat to familiarise all the constituents with the provisions of the IEGC. In view of the number of constituents to be covered within a short period, the CTU has proposed to constitute region-wise committees for this purpose, headed by the respective RLDC heads. The intention of the Commission was to ensure the widest possible publicity to the provisions of the IEGC and to institute a mechanism for facilitating comprehension by all stakeholders of the these provisions. This intention is not subverted by the proposed change. Hence in view of the difficulty pointed out by the CTU, Commission accords its approval to the proposal.

6. The Commission in para 8.3 of the order had prescribed the composition of the Review Panel, constituted to review the functioning of the IEGC and directed that the Review Panel shall comprise of two representatives from each REB "representing the Region comprising the generation and user segment". The CTU in the IEGC (December, 1999) has substituted the words in parenthesis with "representing the constituents of the region". The intention of the Commission was to ensure the widest possible representation in the Review Panel. Since this intention is not subverted by the proposed change, the Commission approves of the change made by the CTU in the IEGC.

7. The Commission under para 3.18(a) of the order had directed the CTU to suitably amend Chapter 2 of the draft IEGC, interalia, by setting out the respective functions of RLDC and REB, as discussed and identified in the order. The Commission is displeased to see that these directions have not been complied with. The petitioner has simply reproduced the statutory provisions and has failed to mention the specific functions identified by the Commission. The Commission therefore has no option except to direct that at the end of Section 2.2 of the IEGC (December, 1999) the following shall be added:

The following are contemplated as exclusive functions of RLDC:

- (i) System operation and control including inter-state/inter-regional transfer of power, covering contingency analysis and operational planning, on real time basis, ;
- (ii) Scheduling/re-scheduling of generation and contingency analysis;
- (iii) System restoration following grid disturbances;
- (iv) Metering and data collection; and
- (v) Compiling and furnishing data pertaining to system operation".

Similarly at the end of the Section 2.3, regarding the role of the REBs, the following shall be added:

"The following functions which go to facilitate the smooth operation of the systems are identified for the REB:

- (i) Operational planning including planning of outages of generators and transmission system;

- (ii) Coordination of protection system;
- (iii) Finalisation of automatic under frequency load shedding scheme;
- (iv) Regional energy accounting including operation of Pool Account;
- (v) Exploring possibilities of inter-state/inter-regional transfer of power".

While directing these changes the Commission has considered the plea of the petitioner, contained in the explanatory note to the petition, regarding para 3.14 of the October 30, 1999 order. The petitioner has argued that RLDC's will also need to do contingency analysis and operational planning with regard to real time operations. We see no objection in clarifying that as regards the scope of contingency analysis and planning in the real time, these functions would also be with RLDCs and have accordingly included these in the elaboration of system operation and control in real time.

8. In accordance with Section 1.7 of the IEGC (December, 1999), the provisions of sections 6.2(l), 6.2(q), 7.4 , 7.5 and 7.6 will be implemented while implementing the complementary Commercial Mechanism to be announced separately by the Commission under Section 7.1(a). The Commission is inclined to accept that the implementation of sections 7.4, 7.5 and 7.6 could be hampered in the absence of an appropriate commercial mechanism. The commission therefore allows deferment of the implementation of the provisions of these sections till the date when commercial mechanism is available. However the Commission is of the considered view that implementation of the provisions of Sections 6.2(l) and 6.2(q) need not be deferred. These provisions are of general nature. They specify the system parameters regarding voltage and frequency and , advise all the regional constituents to make all possible efforts to maintain these parameters at desirable level. The commission accepts that a commercial mechanism will be conducive to achieving the objectives of these provisions. However the absence of a commercial mechanism does not make these provisions lose force completely. The Commission, therefore, does not favour any deferment of their implementation. Therefore, it is directed that the implementation of the provisions of sections 6.2(l) and 6.2(q) shall not be linked with the implementation of Commercial Mechanism. Accordingly, the reference to sections 6.2(l) and 6.2(q) in section 1.7 of IEGC (December, 1999) shall stand deleted.

9. The suggestion of the CTU to include the role of CEA under section 2.5 so far as it relates to the IEGC, is accepted by the Commission. However, as already observed by the Commission at para 3.18 of the Order dated 30.10.1999, the STU has very limited role in the operation of ISTS. Therefore, section 2.7 of IEGC (December, 1999) shall be deleted.

10. The Commission had under para 3.18(b) of the order directed the CTU to make provisions for the Monitoring Committee for RLDCs and auditing of their accounts. It is expected that the CTU has taken steps to comply with this direction. The Commission, therefore, directs that a separate compliance report regarding Constitution of Monitoring Committee and arrangements for the auditing of the accounts of RLDCs shall be submitted to the Commission by the CTU by 31<sup>st</sup> December, 1999.

11. The Commission in terms of para 7.14 of the order had directed the CTU to delete from the draft Code, the Section 7.7, regarding non-payment of dues. In the IEGC (December, 1999), the provisions have been deleted from Chapter 7, but have been included under Complementary Commercial Mechanisms (Annexure-I). The Commission has already

clarified in its October 30, 1999 order that it is conscious of the consequences of default on payment and that it proposes to consider the issue while exercising jurisdiction on tariff determination. The IEGC has introduced a charge for Reactive Energy. Provisions for defining the consequences of default in the payment of this charge will be considered along with the general provisions in this regard for the recovery of tariff dues. Accordingly, the Commission directs to delete the provisions of para 7.14 from Annexure-I.

12. In section 3.1(iii) of IEGC (December, 1999) the portion "Accordingly CEA would continue....., need to be submitted to CEA for techno-economic clearance" shall be substituted as under for the purpose of proper appreciation of the provision:

"Accordingly, CEA would continue to be the nodal agency for over all planning of the transmission grids in India which consists of the inter-state transmission system as well as intra-state transmission system and transmission schemes shall continue to be submitted to the CEA for clearance in accordance with the provisions of Electricity (Supply) Act, 1948 and notifications/guidelines issued thereunder from time to time".

13. The proposed modification at section 3.5(b) of the IEGC is also approved by the Commission. In terms of para 5.18 of the Order, the Commission had directed the CTU to include a clause on the scheme envisaged to provide time synchronisation and its plan of implementation in the Grid Code. A mention of time synchronisation equipment has been made under section 4.11 of IEGC (December, 1999). However, the details of the scheme for time synchronisation and time schedule for its implementation have not been indicated. The CTU is directed to file the above details separately with the Commission by 31<sup>st</sup> December, 1999.

14. The IEGC shall be a document published by the CTU. However, the title page of the Code tends to give an impression that it has been published by the PGCIL. The Commission is aware that the Government of India has nominated the PGCIL as the CTU. However the Commission considers it necessary to distinguish between the discharge of statutory duties by the PGCIL acting as the CTU and the actions of the PGCIL arising from its transmission business. PGCIL has undertaken preparation of the IEGC in discharge of its statutory duties as the CTU. Accordingly, the title page shall be suitably revised so that it clearly indicates that the Code has been published by the CTU.

15. The CTU shall carry out the amendments to the IEGC (December 1999 version) as directed in this order and circulate it to all concerned, within one week of receipt of the order. In view of the time lost in this process of review, the Commission is reluctantly extending the date of commencement to 1<sup>st</sup> February, 2000 and clause 1.3(4) of IEGC shall be amended accordingly. The Commission is concerned that the issue of the IEGC has already been delayed and it advises the CTU to strictly adhere to the time schedule for circulation of the revised IEGC as directed above.

16. With the above directions, the Application No. 26/99 stands disposed of.

Sd\  
(A.R. Ramanathan)  
Member

Sd\  
(G.S.Rajamani)  
Member

Sd/-  
(D.P. Sinha)  
Member

Sd/-  
(S.L.  
Rao)  
Chairman

New Delhi, the 21<sup>st</sup> December, 1999