

CENTRAL ELECTRICITY REGULATORY COMMISSION
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PRESS RELEASE

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CERC warns the state utilities not to indulge in grid indiscipline

The Commission, in its order dated 16th October, 2008 has directed the Regional Load Despatch Centres (RLDC) to report within a period of 3 days the cases of over-drawls from the grid by state utilities when the frequency is less than 49.0 Hz. It has also directed the RLDCs to report within 3 days every case of non-compliance of the directions of the Load Despatch Centres. The Commission has felt the necessity of these measures for taking appropriate legal action against the defaulters, with the objective of saving the grid from any untoward happening. In its order, the Commission has made clear that each violation of grid code by way of over-drawl in each time block of 15 minutes when frequency is low constitutes a separate and distinct offence and would accordingly attract penalty proceedings. The Commission may also take recourse to the penal action against person incharge of and responsible for the affairs of the defaulting utility.

Under the provisions of the Electricity Act, a penalty of upto Rs.15 lakh can be imposed for non-compliance of the directions of the Load Despatch Centres. The Act also provides for punishment to the officer incharge and responsible to the company for the conduct of its business if such company or corporate body violates the regulations of the Commission or any direction issued by the Commission.

In exercise of its statutory powers, the Commission has notified the Indian Electricity Grid Code which mandates the utilities to start taking steps for restricting their drawl from the grid when frequency goes below 49.5 Hz and to mandatorily curtail the over-drawl when the frequency falls below 49.0 Hz. The RLDCs have powers to give such directions to the utilities as may be required for ensuring stability of grid operations.

The Commission had earlier impressed upon the state utilities indulging in over-drawl to maintain discipline and also imposed penalties on the defaulting utilities. The Commission has also been upwardly revising the rates applicable for Unscheduled Interchange with a view to discourage over-drawl. It has been experienced that such revision of UI price by itself has not been a sufficient deterrent against indisciplined over-drawls.

Recently, taking a serious view of the over-drawls from the grid by the utilities of the Southern Region, the Commission has imposed penalties of Rs. One lakh each in its order dated 22nd September 2008 on the state utilities of Southern Region found guilty of violating the grid code.

This is in this context that Commission has decided to pass its latest order reiterating its commitment to inculcate sense of discipline among the regulated entities and to convey its intention of treating the cases of over-drawl endangering the grid very seriously and of even going to the extent of proceedings against the person incharge of and responsible for the affairs of the defaulting utility.

Sd/-
(Alok Kumar)
Secretary