

Central Electricity Regulatory Commission
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PRESS RELEASE

**CERC SUMMONS RAJASTHAN STATE LOAD DESPATCH CENTRE AND
TRANSMISSION UTILITY**

Taking a stern view of denial of open access by State Load Despatch Centres, Central Electricity Regulatory Commission (CERC) has issued show cause notices to Rajasthan State Load Despatch Centre (Rajasthan SLDC) and Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPNL) to explain why action should not be initiated against them for violating the CERC's regulations on open access in inter-State transmission. The Complaint was filed by Gujarat Flurochemicals Ltd. (GFL), a company that owns wind generation facility in the Jaisalmer district of Rajasthan.

2.0 The Commission has concluded that the objections on the basis of which open access was denied were not germane to the issue at hand and held that action of RRVPNL was unfair and illegal. The Commission has observed that such action appears to be an attempt to create a situation whereby GFL is forced to sell its output within the State, which is against the intent and content of the Electricity Act, 2003.

3.0 Under the Electricity, Act, CERC has jurisdiction over inter-State transmission of electricity. The CERC regulations require SLDC concerned to give its decision on such application within 3 working days. In case of refusal, reasons for the same are also to be given by the SLDC within 3 working days. The Commission prima-facie found that in this case, the

Rajasthan SLDC and RRVPNL, which operates this SLDC, have failed to comply with these requirements of CERC regulations.

4.0 The Commission has emphasized that Load Despatch Centres being statutory bodies under the Act are duty bound to consider the applications for open access in an impartial manner and in line with the spirit and the express provisions of Act and the open access regulations without being influenced by the views of any other utility, which may be extraneous to the spirit and the provisions of the Act. Any denial of open access on considerations other than those prescribed under the law may attract the penal provisions of the Act.

5.0 In order to compensate GFL for the commercial losses caused due to this unfair and illegal action, the Commission has directed that GFL be paid for wind power, which was drawn by Rajasthan utilities, at the rate specified by the Rajasthan Electricity Regulatory Commission (RERC) for wind generation.

6.0 The hearing on show cause notice is scheduled to be held on 30th September, 2008.

(Alok Kumar)
Secretary