

CENTRAL ELECTRICITY REGULATORY COMMISSION
7th Floor, Core-3, Scope Complex, Lodi Road, New Delhi 110 003

PUBLIC NOTICE

Dated the 2nd December 2003

Subject: Regulations on Open Access to inter-state transmission system

In terms of Section 38 (2)(d) of the Electricity Act, 2003, payment of transmission charges for open access to the inter-state transmission system are to be specified by the Central Commission. Accordingly, a concept paper on "Open Access in Inter-State Transmission" prepared by the staff of the Commission was circulated among all the stakeholders and interested persons with a view to eliciting their suggestions. The opportunity of hearing was afforded to all the stakeholders and interested persons. The Commission has since decided the issues involved in the open access in inter-state transmission vide its order dated 14.11.2003.

2. Now the regulations on open access are to be made in accordance with Clauses (j) & (k) of sub-section (2) of Section 178 of the Act. As laid down in sub-section (3) of Section 178, the regulations made by the Commission under the Act are subject to the conditions of previous publication in accordance with the detailed procedure laid down under Section 23 of the General Clauses Act. These regulations are available on the website along with this notice.

3. Suggestions/comments on these regulations may be sent to the undersigned latest by 10.12.2003. The suggestions/comments received after this date in the Commission's office shall not be considered.

(A.K. SACHAN)
SECRETARY

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Dated the 2nd December 2003

In exercise of powers conferred by Section 178 of the Electricity Act, 2003 and all other powers enabling in this behalf, the Central Electricity Regulatory Commission, makes the following regulations, namely:

Short Title and Commencement

1. (i) These regulations shall be called the Central Electricity Regulatory Commission (Terms and conditions for Open Access) Regulations, 2003.
- (ii) These regulations shall come into force with immediate effect.

Definitions

2. In these regulations, unless the context otherwise requires -
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003)
 - (b) "Commission" means the Central Electricity Regulatory Commission constituted under Section 76 of the Act.
 - (c) "Direct customer" means a person directly connected to inter-state transmission system.
 - (d) "Embedded customer" means a person who is not a direct customer.
 - (e) "Open access customer" means a person who has availed or intends to avail the open access.
 - (f) "Nodal agency" means the nodal agency defined in regulation 6 of these regulations.
 - (g) "Transmission Service Provider" means the person who owns or operates the transmission system.

(h) Words and expressions used and not defined in these regulations but defined in the Act, shall have the meaning assigned to them in the Act.

Extent of Application

3. These regulations shall apply to open access for use of inter-state transmission system within the meaning of the term defined in clause (36) of Section 2 of the Act.

Categorisation of Open Access Customers

4. (i) The open access customers shall be divided into two categories, based on the duration of use of the transmission system, namely:

(a) Short-term Open Access customers

(b) Long-term Open Access customers

(ii) The persons availing or intending to avail the open access to the inter-state transmission system for a period of one year or less shall be the short-term open access customers.

(iii) The persons availing or intending to avail the open access to the inter-state transmission system for a period of five years or more shall be the long-term open access customers. The state utilities who are the beneficiaries of the transmission system owned or operated by the Central Transmission Utility shall be deemed to be long-term open access customer for the purpose of these regulations.

Allotment Priority

5. (i) Allotment priority of a long-term open access customer shall be higher than that of a short-term open access customer.

- (ii) Among the open access customers within a category, the person applying for open access for a longer duration shall have preference over the person applying for shorter duration.

Nodal Agency

- 6. The nodal agency for arranging the long-term open access shall be the Central Transmission Utility, and that for short-term open access shall be the Regional Load Despatch Centre of the region where point of drawal of electricity is situate.

Procedure for Long-Term Open Access Customer

- 7. (i) An application for long-term open access shall be submitted to the Central Transmission Utility as the nodal agency.
 - (ii) The application shall contain such details as capacity needed, point of injection, point of drawal, duration of availing open access, peak load, average load and any other additional information that may be specified by the Central Transmission Utility.
 - (iii) The application shall be accompanied by a non-refundable processing fee of Rs one lakh payable in the name and in the manner to be decided by the Central Transmission Utility.

- 8. (i) Based on system studies conducted in consultation with the Regional Load Despatch Centre and the State Transmission Utility concerned or otherwise, if in the opinion of the Central Transmission Utility the open access can be allowed without any further system strengthening, it shall intimate to the applicant the date from which such open access shall be allowed.

(ii) Where the Central Transmission Utility is of the opinion that open access cannot be allowed without system strengthening, it shall identify the scope of work for system strengthening, the estimated cost and the probable date from which the open access can be allowed and the applicant shall be informed accordingly, within 90 days of receipt of the application.

Bulk Power Transmission Agreement

9. An open access customer may enter into Bulk Power Transmission Agreement with the transmission service provider for use of inter-state transmission system for five or more years and in that case such an open access customer shall be deemed to be long-term open access customer.

Procedure for Short-Term Open Access Customer

10. (i) The short-term open access customer shall submit an application for open access to the Regional Load Despatch Centre as the nodal agency.

(ii) The application shall contain such details as capacity needed, point of injection, point of drawal, duration of availing open access, peak load, average load and any other additional information that may be specified by the Central Transmission Utility or Regional Load Despatch Centre.

(iii) No processing fee shall be payable by a short-term open access customer.

Non-Utilisation of open access service by short-term Open Access Customer

11. (i) In the event of inability of the short-term open access customer to utilise for more than four hours, full or substantial part of the capacity allocated to him, such a short-term open access customer shall inform the Regional Load

Despatch Centre of his inability to utilise the transmission capacity, along with reasons therefor and may surrender the use of capacity allocated to him.

(ii) The Regional Load Despatch Centre may cancel or reduce the capacity allocated to a short-term open access customer when such a short-term open access customer frequently under-utilises the allocated capacity or fails to inform the Regional Load Despatch Centre of his inability to utilise the allocated capacity.

(iii) The surplus capacity available as a result of its surrender by the short-term open access customer under clause (i) above or reduction or cancellation of capacity by the Regional Load Despatch Centre under clause (ii) above, may be allocated to any other short-term open access customer.

Treatment of Existing Wheeling Transactions

12. (i) Any person, using the inter-state transmission for wheeling of electricity at the commencement of these regulations, shall be given 30 days notice by the nodal agency to submit an application for grant of open access in accordance with these regulations.

(ii) The person referred to in clause (i) above shall be given preference in grant of open access.

Provided that the preference shall be given only at the commencement of these regulations and for any subsequent period or periods, the allotment priority of such open access customer shall be governed by other provisions of these regulations.

Transmission Charge

13. (1) The transmission charges for use of the transmission system of the Central Transmission Utility or the licensee by an open access customer shall be regulated as under:
- (i) The long-term open access customers shall share the transmission charges determined by the Commission in accordance with the terms and conditions of tariff notified by the Commission from time to time.
 - (ii) The transmission charges payable by a short-term open access customer shall be calculated in accordance with methodology for calculation of wheeling charges for inter-state transmission specified in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001 as amended from time to time.
 - (iii) The transmission charges for the system strengthening shall be shared by all long term open access customers in accordance with the terms and conditions of tariff notified by the Commission from time to time.

Provided that where a dedicated transmission system used for open access has been constructed for exclusive use of an open access customer, the transmission charges for such dedicated transmission system shall be borne by such open access customer.

Provided further that an open access customer for whose benefit the dedicated transmission system is to be constructed may decide on the agency for constructing such transmission system, subject to the provisions of the Act.

Time-schedule for Processing Application

14. As far as possible, the following time schedule shall be adhered to by the nodal agency for processing of the application for grant of open access:

S.No.	Duration of service	Max. Processing time
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1.	Short-Term Service	
	Up to One day	One day
	Up to one week	Three days
	Up to one month	Seven days
	Up to one year	Thirty days
2.	Long-Term Service	
	Five years or more	Ninety days

Right of Refusal

15. The current open access customer shall have the first right of refusal to the capacity being used by him. Such an open access customer shall be given preference in allotment, if he is willing to match the duration of service being sought by potential customers.

Curtailed Priority

16. When because of transmission constraints or otherwise, it becomes necessary to curtail the transmission service, the short-term open access customers shall be curtailed first followed by the long-term open access customers.

Provided that within a category, the open access customers shall have equal curtailment priority and shall be curtailed on pro-rata basis.

Dispute Resolution

17. The dispute, if any, between the open access customer and the transmission service provider on any matter falling within these regulations may be referred by any of the parties to the Commission for appropriate decision.

Other Commercial Conditions

18. For transmission service charges and scheduling and system operation charges such as terms of payment, credit worthiness, indemnification and force majeure shall be mutually settled.

Scheduling and System Operation Charges

19. (i) The scheduling and system operation charges of Rs.3000/- per day or part of the day shall be paid to each Regional Load Despatch Centre and State Load Despatch Centre involved by short term open access customer.
- (ii) For each schedule revision, an additional amount of Rs.2000/- shall be payable by short term open access customer at whose instance the schedule is revised. The schedule revision charges shall be payable to each Regional Load Despatch Centre and State Load Despatch Centre involved in the transaction.
- (iii) The scheduling and system operation charges including the charges for schedule revision collected by the Regional Load Despatch Centre in accordance with clauses (i) and (ii) above, shall be deducted from the charges and fees approved by the Commission and the net charges so arrived at shall be shared by the long-term open access customers on pro rata basis.

Explanation:

Scheduling and system operation charges shall be payable by a generator when allowed open access under these regulations.

Unscheduled Inter-change (UI) Pricing Mechanism

20. The mismatch between the schedule and the actual shall be met from the grid and shall be governed by the UI pricing mechanism applicable to the inter-state transactions.

Reactive Energy Charges

21. The payment for the reactive energy charges for the direct customers on account of open access shall be calculated in accordance with the scheme applicable to transactions involving inter-state transmission approved by the Commission from time to time.

22. The reactive energy charges payable/receivable by the State utilities shall be paid to/received from the pool by the State utility concerned and shall not be apportioned to the embedded customers.

23. The reactive energy drawals/injections by the embedded customers shall be governed by the local regulations.

Special Energy Meters

24. The Special Energy Meters shall be installed by the direct open access customers and if required, also by the embedded customers.

25. The Special Energy Meters installed shall be capable of time differentiated measurements (15 minutes) of active and reactive energy as specified by the Central Transmission Utility or the Regional Load Despatch Centre concerned.

26. The Special Energy Meters shall always be maintained in good condition.

27. The Special Energy Meters for the direct customer shall be open for inspection by any person authorised by the Central Transmission Utility or the Regional Load Despatch Centre.

Energy losses

28. Energy losses on account of use of the transmission system shall be calculated in accordance with the methodology contained in para 4.9 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001, as amended from time to time, including the statutory re-enactment thereof.

Compliance of IEGC

29. The open access customer shall abide by the Indian Electricity Grid Code, as applicable from time to time.

Collection and Disbursement of charges

30. The transmission charges in respect of long- term open access customers shall be payable directly to respective transmission service providers. In respect of short-term open access customers the wheeling and scheduling charges shall be collected and disbursed by the nodal Regional Load Despatch Centre.

Reports

31. The Regional Load Despatch Centre shall submit a report so as to reach the Commission by 10th day of every month in the schedule attached to these regulations.

SCHEDULE

Serial No.	Name of the open access customer	Point of injection	Point of drawal	Capacity allowed (MW)	Period for open access allowed	Duration for open access allowed (Hrs per day)	Actual utilisation in Million Units
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**Signature
Name and Designation**

Note: Data for different category of open access customers shall be furnished separately.