

# Central Electricity Regulatory Commission

No. L-7/25(5)/2003-CERC

New Delhi the

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## DRAFT NOTIFICATION

The Central Electricity Regulatory Commission on being of the opinion that it is necessary to fix trading margin for inter-State trading in electricity, in exercise of powers conferred under Section 178 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, hereby makes the following regulations, namely: --

1. **Short title and commencement:** (1) These regulations may be called the Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2009.

(2) These regulations shall come into force from the date of their publication in the Official Gazette.

2. **Applicability:** These regulations shall apply to the short term buy-short term sell contracts for the inter-State trading in electricity conducted by a licensee.

**Explanation:** For removal of doubt, it is hereby declared that these regulations shall not apply to the intra-State electricity trading conducted by the licensee by virtue of the provisions of Rule 9 of the Electricity Rules, 2005, on the basis of the inter-State trading licence granted by the Commission.

**3. Definitions and Interpretation:** (1) In these regulations, unless the context or subject-matter, otherwise requires-

- (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "Commission" means the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of the Act;
- (c) "licensee" means the person who has been granted licence by the Commission to undertake inter-State trading in electricity;
- (d) "Short Term Buy- Short Term Sell contract" means a contract where the duration of the power purchase agreement and power sale agreement is less than one year;
- (e) "Ultimate buyer" includes a distribution licensee or a consumer.

(2) Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these regulations and not defined, but defined in the Act, or the rules or any other regulations made thereunder by the Commission shall have the meanings assigned to them respectively in the Act or the rules or the regulations.

(3) The provisions of the General Clauses Act, 1897 (10 of 1897) as amended from time to time shall apply for the interpretation of these regulations as they apply for the interpretation of an Act of Parliament.

**4. Trading Margin:** The licensee shall not charge trading margin exceeding 1.5% of its sale price, subject to a maximum of seven (7) paise/kWh when the sale price exceeds Rupees three/kWh, and of four (4) paise/kWh where the sale price is less than or equal to Rupees

three/kWh, including all charges, except the charges for scheduled energy, open access and transmission losses:

Provided that trading margin specified under these regulations shall be the cumulative value of the trading margin charged by all the traders involved in the chain of transactions between generator and the ultimate buyer, that is to say, trading margin in case of multiple trader-to-trader transactions shall not exceed the ceiling trading margin specified under this regulation.

**Explanation:** The charges for the open access include the transmission charge, operating charge and the application fee.

**5. Repeal and Savings:**

(1) Save as otherwise provided in these regulations, the Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2005 shall stand repealed from the date of commencement of these regulations.

(2) Notwithstanding such repeal, anything done or purported to have been done under the repealed regulations shall be deemed to have been done or purported to have been done under these regulations.

(Alok Kumar)  
Secretary