

PREAMBLE

Central Electricity Regulatory Commission is mandated under sub-section (1) of Section 57 read with clause (p) of sub-section (2) of Section 178 of the Electricity Act, 2003 (“the Act”) for making Regulations on Standards of Performance of inter-State transmission licensees. These standards, if not complied with, would entail payment of compensation to the affected persons as may be determined by the Commission. Section 57 of the Act is reproduced below:

“

(1) The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.

(2) If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

(3) The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.”

2. Central Electricity Authority has recently published “The CEA (Grid standards) Regulations, 2010” in the Gazette of India on June 26, 2010. These standards have been mandated under section 34 and section 73 (d) of the Act. Section 34 specifies as under:

“Every transmission licensee shall comply with such technical standards, of operation and maintenance of transmission lines, in accordance with the Grid Standards, as may be specified by the authority.”

Section 73 specifies the functions and duties of the Authority. Section 73 (d) specifies as under:

“73. The Authority shall perform such functions and duties as the Central Government may prescribe or direct, and in particular to –

*.....
(d) specify the grid standards for operation and maintenance of transmission lines;”*

It would therefore, be seen that the CEA (Grid Standards) Regulations, 2010 also specifies some Standards of Performance of transmission licensees. The standards of performance of transmission licensees to be made by the Central Commission refer to those standards which can be identified for payment of compensation to the affected parties. The CEA (Grid Standards) Regulations, 2010 also contain some standards of performance of transmission licensees, more in the line of best practices, which affect various parties, but for which the compensation to the affected parties for non-adherence is difficult to determine, for example, non-provision of standard protection systems, no operational planning resulting in delay in carrying out operations, non-coordinated maintenance planning resulting in unnecessary outages, no written operating instructions of various equipment available which may affect operation of sub-station equipment, non-reporting of events affecting grid operation, including non-furnishing of data after a grid disturbance for helping in restoration, non-maintenance of operational data records for analysis of grid incident or grid disturbance, improper maintenance of tools and equipment resulting in delay in maintenance, non-following of safety procedures resulting in grievous injury to the operators, untrained manpower leading to delay in restoration of equipment or resulting in failure of equipment etc. In any case, the CEA (Grid Standards) Regulations, 2010 have also to be complied with, and in accordance with the Electricity Act, 2003, the Indian Electricity Grid Code is to be specified taking into account these Grid Standards. Therefore violation of the CEA (Grid Standards) Regulations, 2010 and the Indian Electricity Grid Code are also punishable separately.

After reforms in the electricity sector, the generation, transmission and distribution sectors have, by and large, been segregated. While competition can be introduced in the generation and distribution sectors, transmission is a natural monopoly and therefore, has to be regulated through regulations. The tariff for transmission sector is determined either on a cost plus approach or tariff based on competitive bidding of specified transmission assets. However, along with the tariff approved by the respective Commission, certain standards of performance have to be specified for the transmission licensees to ensure efficient performance for the benefit of the users of the transmission system. These regulations are in that direction.

NOTIFICATION (DRAFT)

In exercise of the powers conferred under sub-section (1) of Section 57 read with clause (p) of sub-section (2) of Section 178 of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following Regulations:

CHAPTER 1: PRELIMINARY

1. Short title and Commencement

- (1) These Regulations may be called the Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2010.
- (2) These Regulations shall come into force from the date of their publication in the official gazette.

2. Scope

These Regulations shall be applicable to all the inter-State transmission licensees, irrespective of whether their ownership and/or control is with the Government or private parties.

3. Definitions

- (1) In these Regulations, unless the context otherwise requires:-
 - (a) “**Act**” means the Electricity Act, 2003 (36 of 2003) as amended from time to time;
 - (b) “**affected person**” means a user of the inter-state transmission system including a Generating Stations, a Transmission Licensees or a Distribution Licensee and open access customer who uses the inter-state transmission system and is affected due to non-adherence to these Standards of Performance;

- (c) “**Commission**” means the Central Electricity Regulatory Commission referred to in sub-section (1) of section 76 of the Act;
 - (d) “**Inter State Transmission System (ISTS)**” means:
 - (i) Any system for the conveyance of electricity by means of a main transmission line from the territory of one State to another State;
 - (ii) The conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;
 - (iii) The transmission of electricity within the territory of State on a system built, owned, operated, maintained or controlled by CTU;
 - (e) “**Inter-State Transmission Licensee**” means a licensee authorized to establish or operate transmission lines of the Inter State Transmission System;
 - (f) “**Year**” means a financial year.
- (2) Words and expressions used in these Regulations and not defined herein but defined in the Act or regulations made by the Commission, shall have the meanings assigned to them respectively in the Act, and regulations made by the Commission from time to time.

4. Objective

The objective of these regulations is to ensure standards of performance of inter-state transmission licensees within the permissible limits in a natural monopoly like transmission of electricity and for providing an efficient, reliable, coordinated and economical system of electricity transmission, non-adherence of which would entitle compensation to the affected parties.

5. Standards of Performance

All inter-state transmission licensees shall comply with the Standards of Performance specified in these regulations below:-

Provided that any time limits set out in these Regulations shall refer to the maximum time permitted for performing the activities to which they relate.

(a) Transmission System Availability

- (1) The transmission system availability shall be calculated element – wise on monthly basis, in the same manner as provided for in the CERC (Terms and Conditions of Tariff) Regulations, 2009.
- (2) The transmission elements under outage for which the inter-State transmission licensee is not responsible, as provided for in the CERC (Terms and Conditions of Tariff) Regulations, 2009 shall be deemed to be available.
- (3) The element-wise monthly availability figures (not counting tower collapse) shall not be below the availability figures as given below :

	Elements	Availability (% of time)
(a)	AC Transmission line	90
(b)	Sub-station bay*	90
(c)	Static VAR Compensator	90
(d)	Series Compensator	90
(e)	HVDC (Back-to-back Stations and bi-pole links)	85

*Sub-station bay includes CT, CVT, Circuit Breaker (CB), isolator, Lightning Arrester (LA)

(b) Restoration time

The restoration times for different types of failures of a transmission line and failure of Inter-Connecting Transformer (ICT) shall not exceed the following:

Sl. No.	Types of failures	Restoration Time (Days)
1.	Insulator failure	2
2.	Tower after collapse by Emergency Restoration System (ERS)	12
3.	Tower after collapse	
	Plain Terrain	30
	River Bed	50
	Hilly Terrain	50
4.	Snapping of phase conductor	
	Plain Terrain	2
	Hilly Terrain	3
5.	Failure of earth wire	
	Plain Terrain	2

	Hilly Terrain	3
6.	Failure of Inter Connecting Transformers (ICTs)	
	Restoration of the faulty transformer by spare transformer	120

- (6) Any failure by the inter-State transmission licensee to maintain the standards of performance specified in these Regulations shall render the said Licensee liable to payment of compensation to an affected person claiming such compensation under the provisions of the Act.

Provided also that the payment of compensation by the Inter-State Licensee shall be without prejudice to any penalty, which may be imposed or prosecution initiated by the Commission as provided in the Act.

(7) Methodology for compensation

The affected person shall file a petition with the Commission, against the inter-State transmission licensee due to whom it has suffered a loss on account of non-adherence of these Standards of Performance. The Commission shall determine the compensation after giving reasonable opportunity to the transmission licensees of being heard.

Provided, further, that the compensation to be paid by the inter-State transmission licensees to the affected party shall be limited to the transmission charges payable by the affected users.

Provided also that no claim for compensation shall be entertained if the same is filed later than a period of sixty days from the end of the month when the availability of the transmission system falls short of the availability specified in in Clause 5(a) and sixty days from the date of restoration of transmission line or ICT, as the case may be, for the standards prescribed in Clause 5(b) ,

(8) Information to be furnished by the inter-State Transmission Licensees

- (1) All inter-State transmission licensees, in accordance with section 59 of the Act, shall furnish to the Commission, (a) the level of performance achieved, and (b) the number of cases in which compensation was made and the aggregate amount of the compensation, in the formats enclosed in the Schedule.

- (2) Such information in the requisite formats shall be submitted to the Commission twice during the financial year, on six monthly basis by 31st October and 30th April for the periods April to September and October to March respectively.
- (3) All the inter-State transmission licensees shall display on their web-sites the actual performance against the required standards on a monthly basis and the aggregate amount of the compensation, in the formats enclosed in the Schedule.

(9) Power to Relax

- (1) The Commission may, when it considers necessary or expedient to do so and for reasons to be recorded in writing, relax adherence to specific performance standard during Force Majeure conditions such as war, mutiny, civil commotion, riot, flood, cyclone, storm, lightening, earthquake, grid failure, and strike/curfew, lockout, fire affecting the Inter-State Transmission Licensee's installations and operation activities, or under other specific circumstances.

Provided that the Inter-State Transmisison Licensee shall not be excused from failure to maintain the standards of performance under these Regulations where such failure can be attributed to negligence or deficiency or lack of preventive maintenance of the inter-state transmission system or failure to take reasonable precaution on the part of the inter-state transmission Licensee.

(10) Power to remove difficulties

- (1) If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act as may appear to be necessary for removing the difficulty.

Sd/-
(Alok Kumar)
Secretary

SCHEDULE

I. AC Transmission Line/ ICT/ Sub-Station Bay/ Static VAr Compensator/ Series Compensator/ HVDC (Back-to-Back Stations and Bi-Pole Links) Outage Details for the month of

Element Name	Outage	Restoration	Duration of Outage Attributable to				Reason of Outage	% Availability
	Date Time	Date Time	Inter-State Transmission Licensee	Others	System constraint/ Natural calamity/ Militancy	Deemed Available		
			Hrs:Min	Hrs:Min	Hrs:Min	Hrs:Min		

II. Elements where restoration time has exceeded the standards specified in Regulation 5 (b).

Element Name	Restoration time as specified in Regulation 5 (b) (in days)	Actual restoration time (in days)

III. Details of compensation paid by the inter-State transmission licensee

Element Name	Violative of Regulation 5 (a)		Violative of Regulation 5 (b)		Compensation paid (in Rupees)
	Norm (% Availability)	Actual (% Availability)	Norm (in days)	Actual (in days)	
Total					