

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**No.L-1(1)/2009-CERC**

**New Delhi, the 29<sup>th</sup> January, 2010**

**NOTIFICATION (DRAFT)**

In exercise of the 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, the Central Electricity Regulatory Commission hereby makes the following regulations to amend the Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2009 ( hereinafter referred to as “the principal regulations”), namely:

**1. Short title and commencement.-** (1) These regulations may be called the Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) (Amendment) Regulations, 2010.

(2) These regulations shall come into force with effect from 1.4.2010.

**2. Amendment of Regulation 2 of the Principal Regulations**

(i) Sub-clause (e) of Clause 1 shall be substituted as under, namely:

“(e) **‘buyer’** means a person, other than the beneficiary, buying electricity , through a transaction scheduled in accordance with the regulations applicable for short term open access, medium term open access and long term access;”

(ii) In sub-clause (n) of clause 1, the words “ block of 15 minutes” shall be substituted with the words “a time block of 15 minutes”.

### **3. Amendment of Regulation 4 of the Principal Regulations**

In clause (ii) of regulation 4, the words “open access or medium term access” shall be substituted by the words “short term open access or medium term open access”.

### **4. Amendment of Regulation 5 of the Principal Regulations– Regulation 5 of the principal regulations shall be substituted as under, namely**

**“5. Unscheduled Interchange (UI) Charges: (1)** The Unscheduled Interchange Charges for all the time-blocks shall be payable for over-drawal by the buyer or the beneficiary and under-injection by the generating station or the seller and receivable for under-drawal by the buyer or the beneficiary and over-injection by the generating station or the seller and shall be worked out on the average frequency of a time-block:

Provided that Unscheduled Interchange Charges shall be capped at a rate to be determined by the Commission for all generating stations using coal or lignite or gas supplied under Administered Price Mechanism (APM) as the fuel, when actual generation is higher or lower than the scheduled generation:

Provided further that the Unscheduled Interchange Charges and the Unscheduled Interchange Capping rate shall be determined by the Commission from time to time through separate orders.

**5. Amendment of Regulation 6 of the Principal Regulations.-** The proviso to clause (2) of Regulation 6 shall be substituted as under:

“Provided that the revision in generation schedule on the day of operation shall be permitted in accordance with the procedure specified under the Grid Code and Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, as the case may be.”

**6. Amendment of Regulation 7 of the Principal Regulations.-** Regulation 7 shall be substituted as under:

**“7. Limits on UI volume and consequences of crossing limits.- (1)**  
The over-drawal of electricity by any beneficiary or a buyer during a time-block shall not exceed 12% of its scheduled drawal or 150 MW, whichever is lower, when frequency is below 49.7 Hz, and 3% on a daily aggregate basis for all the time blocks when the frequency is below 49.7 Hz

**Explanation:** The limits specified in this clause shall apply to the sum total of over-drawal by all the intra-State entities in the State including the distribution companies and other intra-State buyers, and shall be applicable at the inter-State boundary of the respective State.

(2) The under-injection of electricity by a generating station or a seller during a time-block shall not exceed 12% of the scheduled injection of such generating station or seller when frequency is below 49.7 Hz, and 3% on daily aggregate basis for all the time blocks when the frequency is below 49.7 Hz

(3) In addition to Unscheduled Interchange Charges corresponding to frequency of 49.5 Hz as stipulated under Regulation 5 of these regulations, Additional Unscheduled Interchange Charge shall be applicable for over-drawal or under-injection of electricity for each time-block when grid frequency is below 49.5 Hz at the rates to be determined by the Commission from time to time through separate orders:

Provided further that Additional Unscheduled Interchange Charge for under-injection of electricity, during the time-block when grid frequency is below 49.5 Hz, by the generating stations using coal or lignite or gas supplied under Administered Price Mechanism (APM) as the fuel shall be determined by the commission from time to time through separate orders.

**Explanation:** Additional Unscheduled Interchange Charges shall not be applicable for net over drawal by a region as a whole from other regions when grid frequency is below 49.5 Hz.

(4) Payment of Unscheduled Interchange Charges under Regulation 5 and the Additional Unscheduled Interchange Charge under Regulation 7(3) above, shall be levied without prejudice to any action that may be

considered appropriate under Section 142 of the Act for contravention of the limits of over-drawal or under-generation as specified in these regulations, for each time block when frequency is below 49.7 Hz.

(5) The Commission may, if considered necessary, prescribe from time to time Additional Unscheduled Interchange Charge for over-drawal or under-injection of electricity during each time-block when grid frequency is below 49.7 Hz and up to 49.5 Hz.

(6) The charges for over-drawal or under-injection of electricity shall be computed in accordance with the methodology used for preparation of 'Regional Energy Accounts':

(7) The Regional Load Despatch Centre shall prepare and publish on its website the records, on monthly basis, of the UI Accounts, specifying the quantum of over-drawal/under-generation and corresponding amount of UI charges paid for each beneficiary or buyer and received for each generating station or seller for the time-blocks when grid frequency was below 49.5 Hz and between 49.7-49.5 Hz separately."

**7. Amendment of Regulation 9 of the Principal Regulations – Regulation 9 of the principal regulations shall be substituted as under, namely**

**“9. Unscheduled Interchange Charges Accounting**

(1) A statement of Unscheduled Interchange charges including Additional Unscheduled Interchange charges levied under these regulations shall be prepared by the respective Regional Power Committee (RPC) on weekly basis and shall be issued to all constituents by Saturday for the seven day period ending on the previous Sunday midnight.

(2) All payments on account of Unscheduled Interchange charges including Additional Unscheduled Interchange charges levied under these regulations and interest, if any, received for late payment shall be credited to a fund called the “Unscheduled Interchange Pool Account Fund”, which shall be maintained and operated by the concerned Regional Load Despatch Centre in accordance with provisions of these regulations.

Provided that the Commission may by order direct any other entity to operate and maintain the “Unscheduled Interchange Pool Account Fund”:

Provided further that separate books of accounts shall be maintained for the principal component and interest component of Unscheduled Interchange charges and Additional Unscheduled Interchange charges.

(3) All payments received in the Unscheduled Interchange Pool Account Fund shall be appropriated in the following sequence:

- (a) First towards any cost or expense or other charges incurred on recovery of UI charges
- (b) Next towards over dues or penal interest, if applicable
- (c) Next towards normal interest
- (d) Lastly, towards UI and additional UI charges

**Explanation:** Any additional UI charge collected from a regional entity shall be retained in the Unscheduled Interchange Pool Account Fund of the concerned region where the regional entity is located.”

**8. Amendment of Regulation 10 of the Principal Regulations –**  
Regulation 10 of the principal regulations shall be substituted as under, namely –

**“10. Schedule of Payment of Unscheduled Interchange Charges and Payment Security**

(1) The payment of UI charges shall have a high priority and the concerned constituent shall pay the indicated amounts within 10 (ten)

days of the issue of statement of Unscheduled Interchange charges including Additional Unscheduled Interchange charges by the RPC into the “Unscheduled Interchange Pool Account Fund”.

(2) If payments against the Unscheduled Interchange charges including Additional Unscheduled Interchange charges are delayed by more than two days, i.e., beyond twelve (12) days from the date of issue of the statement by RPC, the defaulting constituent shall have to pay simple interest @ 0.04% for each day of delay.

(3) All payments to the entities entitled to receive any amount on account of UI charges shall be made within 2 working days of receipt of the payments in the “Unscheduled Interchange Pool Account Fund”.

Provided that in case of delay in the UI Payment into the UI Pool Account Fund and interest there on if any, beyond 12 days from the date of issue of the Statement of UI charges then the regional entities who have to receive UI payment or interest thereon shall be paid from the surplus fund, if any in UI Pool Account Fund. In case UI surplus is not sufficient to meet the payment to the constituents, then the payment from UI Pool Accounts Fund shall be made on prorata basis from the available surplus in the Fund.

Provided further that the liability to pay interest for the delay in payments to “UI Pool Account Fund” shall remain till interest is not paid;



irrespective of the fact that constituents who have to receive payments have been paid from surplus available in UI pool account Fund in part or full.

(4) Each regional entity shall open a Letter of Credit (LC) equal to 110% amount of its maximum weekly UI liability in the previous financial year, in favour of the concerned RLDC:

Provided that LC amount shall be increased to 110% of the maximum weekly UI liability in any week during the year, if it exceeds the previous financial year's maximum weekly liability by more than 20%.

**Illustration:** If the maximum weekly UI liability of a regional entity during 2009-10 is Rs. 20 crore, the regional entity shall open LC for 22 crore in 2010-11. If the weekly liability during any week in 2010-11 is Rs. 25 crore which is more than 20% of the previous financial year's maximum weekly liability, the concerned regional utility shall increase the LC amount to Rs. 27.50 Crore by adding 5.50 Crore.

(5) In case of failure to pay into the "UI Pool Account Fund" within the specified time of 12 days from the date of issue of statement of UI charges, the RLDC shall be entitled to encash the LC of the concerned

constituent to the extent of the default and the concerned constituent shall recoup the LC amount within 3 days.

**9. Amendment of Regulation 11 of the Principal Regulations –**  
Regulation 11 of the principal regulations shall be substituted as under, namely

**“11. Application of fund collected through UI**

(1) The amount left in the UI pool account fund after final settlement of claims of Unscheduled Interchange charges of the generating station and the beneficiaries shall be transferred to a separate fund as may be specified by the Commission and shall be utilised, with the prior approval of the Commission for either or both of the following activities:

(a) Servicing of investment for transmission schemes of strategic importance, provided that the Central Transmission Utility in consultation with a Central Electricity Authority shall identify the inter-State transmission schemes of strategic importance, not being utilised up to optimum level and seek prior approval of the Commission for servicing of capital costs during the initial years.

Provided further that when utilisation of such transmission line or transmission system included in the transmission schemes of strategic importance reaches the optimum level of utilisation, the cost of such scheme shall be recovered from the users of the scheme in accordance with the methodology specified by the Commission

(b) Providing ancillary services including but not limited to ‘load generation balancing’ during low grid frequency as identified by the Regional Load

Despatch Centre, in accordance with the procedure prepared by it, to ensure grid security and safety:

(2) The amount of fund, allocable for the purposes specified under clause (1) of this regulation, shall be decided by the Commission from time to time.

(Alok Kumar)  
Secretary

**Note:** The principal regulations were published in Part III, Section 4 of the Gazette of India (Extraordinary) dated 30.3.2009.