

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 9/SM/2023

Coram:

**Shri Jishnu Barua, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member**

Date of Order: 15.08.2023

In the matter of

Directions under Clause (2) of Part-7 Miscellaneous of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, in special circumstances.

ORDER

Grid India, vide its letter dated 14.8.2023 has submitted that the grid is experiencing a high demand period, and on 11.08.2023 load shedding of the order of 6-7 GW was reported by the States. Grid-India also pointed out that load shedding was resorted to, despite 3 GW generation capacity was available under reserve shutdown in addition to capacity in running units, and such available capacity was not offered for sale in the market.

2. The Ministry of Power, vide Notification dated 3.6.2022, notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 ('LPS Rules'), which provide as follows:



“9. Power not requisitioned by a distribution licensee. -

(1) A distribution licensee shall intimate its schedule for requisitioning power for each day from each generating company with which it has an agreement for purchase of power at least two hour before the end of the time for placing proposals or bids in the day ahead market for that day, failing which the generating company may sell the un-requisitioned power in the power exchange.

...”

As per the above, the distribution licensee needs to intimate the requisition latest by 10 hrs on day ahead basis ('D-1') for schedules for 'D' day. The un-requisitioned power can be offered for sale on the power exchange by the generating company.

3. The Commission has already notified the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 ('Grid Code 2023"), vide notification dated 29.5.2023, which have been finalized after detailed stakeholder consultation and shall come into effect from 1.10.2023.
4. The CERC (Indian Electricity Grid Code) Regulations, 2010 ('Grid Code 2010') provide at Clause (4) of Regulation 6.5 as follows:

“4. The above information of the foreseen capabilities of the ISGS and the corresponding MW and MWh entitlements of each State, shall be compiled by the RLDC every day for the next day, and advised to all beneficiaries by 8 AM. The SLDCs shall review it vis-à-vis their foreseen load pattern and their own generating capability including bilateral exchanges, if any, and advise the RLDC by 3 PM their drawal schedule for each of the ISGS in which they have Shares, long-term and medium-term bilateral interchanges, approved short-term bilateral interchanges.

As per the above, SLDCs are allowed to provide drawal schedule by 3 PM of the 'D-1' day for the next day.

5. The Grid Code 2010 also provides in Regulation 6.5 A regarding consent to be given by beneficiaries, quoted as follows:



“(c) An ISGS whose tariff is determined by the Commission, under section 62 of the Act, may sell power from the share of its original beneficiaries in the day-ahead Market with the consent of such beneficiaries; and in the real-time market without the requirement of consent from the beneficiaries, before the trading for the real time market for a specified duration commences. In both the cases, the realized gains shall be shared between the ISGS and the concerned beneficiary in the ratio of 50:50 subject to a ceiling of seven paise per kWh to the ISGS in the billing of the following month. This gain shall be calculated as the difference between selling price of such power and fuel charge including incidental expenses.

Provided that such sale of power by ISGS shall not result in any adverse impact on the original beneficiary (ies) including in the form of higher average energy charge vis-à-vis the energy charge payable without such sale:

Provided further that there shall be no sharing of loss between the ISGS and the beneficiary (ies):

Provided also that, the liability of fixed charge in such cases shall remain with original beneficiary (ies) as determined in accordance with the Tariff Regulations notified by the Commission from time to time.”

As per the above, ISGS whose tariff is determined by Commission under Section 62 of the Act can sell its power in the day-ahead market with consent of beneficiaries. Further Regulation 6.5 provides as follows:

“4(a). The original beneficiary shall communicate its consent to the ISGS by 9.45 AM each day about the quantum and duration of power for next day for sale in the Day Ahead Market

4(b). The original beneficiary may also provide a standing consent to the ISGS for sale of power in the Day Ahead Market for specified duration and specified quantum.

4(c). The ISGS shall not sell the power of any beneficiary in the Day Ahead Market without its express consent.

4(d). The beneficiary shall not be allowed to schedule the power for which consent has been given by the beneficiary to the ISGS except in cases where power is still available with the ISGS after sale through bilateral and collective transactions.

4(e). The ISGS shall intimate the details of the share of power of individual beneficiaries sold in the market to the respective RLDC.

.....

7. By 6 PM each day, the RLDC shall convey:

- (i) *The ex-power plant “despatch schedule” to each of the ISGS, in MW for different time block, for the next day. The summation of the ex-power plant drawal schedules advised by all beneficiaries shall constitute the ex-power plant station-wise despatch schedule.
.....”*

As per the above quoted clauses, the specified generating company is not allowed to sell its un-requisitioned power in the day-ahead market unless it obtains the express consent of the beneficiaries. The above also provides that the power once sold by the generating company in the day-ahead market cannot be scheduled by the original beneficiary. Further, the ex-power plant despatch schedule to each of the ISGS is conveyed by RLDC only by 6 PM on ‘D-1’ day.

6. Part-7, Miscellaneous of the Grid Code 2010 provides as follows:

“(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations including summary procedures, if the Commission, in view of the special circumstance of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for so dealing with such a matter or class of matters.”

As per the above, the Commission can adopt a procedure which is at variance with any of the provisions of the Regulations in the case of special circumstances involving a matter or class of matters.

7. Keeping in view the impending shortage situation, the requirement to bring the maximum generation capacity available for supply, the LPS Rules being effective from 3.06.2022 and prevailing special circumstances, and in exercise of the powers under Clause (2) of Miscellaneous, Part-7 of the 2010 Grid Code, we direct as follows:



- a. In variance to Clause (4) of Regulation 6.5 of Grid Code 2010, the SLDCs are directed to advise drawl schedules to the respective RLDC by 10 AM on day ahead basis for the next day.
 - b. Under Clause 7 of Regulation 6.5 of the Grid Code 2010, in addition to conveying an ex-power plant despatch schedule at 6 pm, RLDC shall also convey ex-power plant “despatch schedule” to each of the ISGS, in MW for a different time block, for the ‘D’ day by 10.30 AM on ‘D-1’ day based on drawal schedules advised by SLDCs by 10 AM on ‘D-1’ day.
 - c. In partial variance to Clauses (4) (a) to 4(e) of Regulation 6.5 of the Grid Code 2010, ISGS shall be allowed to sell the power un-requisitioned by the beneficiaries after drawl schedules are provided by SLDCs at 10 AM.
 - d. The power sold in the day ahead market by the generating company, under subclause (c) of this paragraph, shall not be allowed to be scheduled by the original beneficiary(ies). However, any power remaining unsold in a generating station after the day ahead market results may be requisitioned by the beneficiary(ies).
 - e. The sharing of gains from the sale of un-requisitioned power by the generating station shall be governed in terms of the LPS Rules.
8. The directions given vide this Order shall come into force with immediate effect and shall remain in force till the Grid Code 2023 comes into force.

9. The Grid-India is directed to give wide circulation to this Order including posting the same on its website for information and necessary action of stakeholders.

sd/-	sd/-	sd/-	sd/-
(P.K. Singh) Member	(Arun Goyal) Member	(I.S. Jha) Member	(Jishnu Barua) Chairperson