

**Central Electricity Regulatory Commission**  
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**Press Release**

**Grid indiscipline shall not be tolerated – CERC warning**

Central Electricity Regulatory Commission (CERC) today warned that stringent penal action shall be taken against State Electricity Boards and Distribution Utilities who were endangering the electricity grid security by overdrawing in violation of the Grid Code and disobeying the instructions of the Regional Load Dispatch Centres (RLDCs). The Commission was hearing a petition filed by Northern Regional Load Dispatch Centre (NRLDC) proposing to increase the Unscheduled Interchange (UI) rates to be applied for over-drawal from the grid when the frequency was low. The Commission directed the RLDCs to file the instances of undisciplined over-drawals within three days so that the Commission could take penal action under Section 29 and 142 of the Electricity Act, 2003, wherever warranted.

2. The Commission endorsed the decision in the meeting taken by Chairman, Central Electricity Authority (CEA) on 26.04.2006 on grid security in which it was decided that Under Frequency Relays meant for automatic load shedding in the event of low frequency shall be restored by all entities by 10 A.M., May 1, 2006. The Commission directed the RLDCs to collect evidence of manipulations from the Regional Power Committee (RPC) and report instances of frequency relay by-passing so that penal action could be taken against organizations and individuals found to be endangering grid security.

3. Taking cognizance of the deteriorating frequency in most regions of the country, particularly in the Northern Region, the Commission observed that

notwithstanding shortage of power, grid security was a paramount concern. The Commission directed the RLDCs not to hesitate to order physical isolation of feeders in order to avoid a total black out, the consequences of which would be far more damaging.

4. The Commission directed NTPC to make immediate efforts to procure additional gas through open tenders on long term and spot contracts in consultation with the beneficiaries, so that peaking power could be supplied at cheaper cost and reliance on costly liquid fuels such as naphtha and diesel is avoided.
5. The Commission endorsing the suggestion of CEA gave discretion to RLDCs to dispatch un-requisitioned liquid fuel based generating capacity and schedule it to entities which were habitual in overdrawing from the grid.
6. The Commission ordered that the Regional Power Committees shall review the scheduled Outage Programme of each generating station in order to increase the availability of generating capacity during the on-going summer season.
7. The Commission heard the various proposals and suggestions on the need to revise the UI rates, including the staff proposal to apply Differential UI rates. The Commission ordered that for the time being the existing UI rates would be maintained and the grid situation shall be observed for three weeks to gauge the impact of various disciplinary measures ordered today. If the situation does not improve to satisfaction, the proposal to revise the UI rates in order to induce grid discipline would be taken up.

Sd/-  
( A.K. Sachan )  
Secretary