

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

NOTIFICATION

No.L-7/105(121)/2007-CERC

Dated the 25th January, 2008

In exercise of powers conferred by Section 178 of the Electricity Act, 2003 and all other powers enabling it in this behalf and after previous publication, the Central Electricity Regulatory Commission, hereby makes the following regulations, namely:-

Short Title, Commencement and Application

1. (1) These regulations may be called the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008.
- (2) These regulations shall apply to the applications made for grant of open access for energy transfer schedules commencing on or after 1.4.2008 for use of the transmission lines or associated facilities with such lines on the inter-State transmission system.

Definitions

2. (1) In these regulations, unless the context otherwise requires:
 - (a) "Act" means the Electricity Act, 2003 (36 of 2003);
 - (b) "bilateral transaction" means a transaction for exchange of energy (MWh) between a specified buyer and a specified seller, directly or through a trading licensee, from a specified point of injection to a specified point of drawal for a fixed or varying quantum of power (MW) for any time period during a month;

- (c) “collective transaction” means a set of transactions discovered in power exchange through anonymous, simultaneous competitive bidding by buyers and sellers;
- (d) “Commission” means the Central Electricity Regulatory Commission referred to in Section 76 of the Act;
- (e) “day” means a day starting at 00.00 hours and ending at 24.00 hours;
- (f) “detailed procedure” means the procedure issued by the Central Transmission Utility under these regulations;
- (g) “Grid Code” means the Grid Code specified by the Commission under Clause (h) of sub-section (1) of Section 79 of the Act;
- (h) “intra-State entity” means a person whose metering and energy accounting is done by the State Load Despatch Centre or by any other authorized State utility;
- (i) “long-term customer” means a person having a long-term lien over an inter-State transmission system by virtue of paying it transmission charges proportionate to the lien.
- (j) “month” means a calendar month as per the British calendar;
- (k) “nodal agency” means the nodal agency defined in Regulation 5 of these regulations;
- (l) “open access customer” means a person who has availed or intends to avail of open access under these regulations and includes a short-term transmission customer as defined in any other regulations, specified by the Commission or a generating company (including captive generating plant) or a licensee or a consumer permitted by the State Commission to receive supply of

electricity from a person other than distribution licensee of his area of supply, or a State Government entity authorized to sell or purchase electricity;

(m) “power exchange” means the power exchange established with the prior approval of the Commission;

(n)“regional entity” means a person whose metering and energy accounting is done at the regional level;

(o) “State Commission” means the State Electricity Regulatory Commission constituted under Section 82 of the Act and includes the Joint Commission constituted under Section 83 thereof;

(p) “State network” means network owned by the State Transmission Utility, distribution licensee or any other person granted licence by the State Commission to construct, operate and maintain the transmission system;

(q) “State utility” means a State Transmission Utility, or a State Electricity Board, or Electricity Department of the State, or a State Government organization authorized to sell or purchase electricity on behalf of the State;

(r) “time block” means 15 minutes time period specified in the Grid Code for the purposes of scheduling and despatch; and

(s) “working day” means a day on which banks are open for business;

(2) Words and expressions used in these regulations and not defined herein but defined in the Act or the Grid Code, shall have the meaning assigned to them under the Act or the Grid Code, as the case may be.

Scope

3. Subject to any other regulations specified by the Commission, the long-term customer shall have first priority for using the inter-State transmission system for the

designated use. These regulations shall apply for utilization of surplus capacity available thereafter on the inter-State transmission system by virtue of-

- (a) inherent design margins;
- (b) margins available due to variation in power flows; and
- (c) Margins available due to in-built spare transmission capacity created to cater to future load growth or generation addition:

Detailed Procedure

4. Subject to provisions of these regulations, the Central Transmission Utility, with approval of the Commission shall issue a detailed procedure covering relevant and residual matters not detailed in these regulations.

Nodal Agency

5. The nodal agency for bilateral transactions shall be the Regional Load Despatch Centre of the region where point of drawal of electricity is situated and in case of the collective transactions, the nodal agency shall be the National Load Despatch Centre.

Submission of Open Access Application

6. (1) An open access customer or the power exchange (on behalf of buyers and sellers) intending to avail of open access for use of the transmission lines or associated facilities for such lines on the inter-State transmission system, shall make an application to the nodal agency in accordance with these regulations.

(2) The application for a bilateral transaction shall contain the details, such as names and location of supplier and buyer, contracted power (MW) to be scheduled and interface at which it is referred to, point of injection, point of

drawal, starting time block and date, ending time block and date, and such other information that may be required in the detailed procedure.

(3) The application for a collective transaction shall contain the requisite details in accordance with the detailed procedure.

Application Fee

7. An application made for each bilateral transaction or the collective transaction shall be accompanied by a non-refundable fee of Rupees five thousand (Rs.5000/-) only:

Provided that the fee for bilateral transaction on the day of the application or on the day immediately following the day of the application may be deposited within three working days of submission of the application.

Concurrence of State Load Despatch Centre for bilateral and collective transactions

8. (1) Wherever the proposed bilateral transaction has a State utility or an intra-State entity as a buyer or a seller, concurrence of the State Load Despatch Centre shall be obtained in advance and submitted along with the application to the nodal agency. The concurrence of the State Load Despatch Centre shall be in such form as may be provided in the detailed procedure.

(2) When a State utility or an intra-State entity proposes to participate in trading through a power exchange, it shall obtain a “no objection” or a prior standing clearance from the State Load Despatch Centre in such form as may be prescribed in the detailed procedure, specifying the MW up to which the entity may submit a buy or sell bid in a power exchange.

(3) In case the infrastructure required for energy metering and time block wise accounting already exists, and required transmission capacity in the State network is available, the State Load Despatch Centre shall accord its concurrence or 'no objection' or standing clearance, as the case may be, within three (3) working days of receipt of the application:

(4) In case SLDC decides not to give concurrence or "no objection" or standing clearance as the case may be, the same shall be communicated to the applicant in writing, giving the reason for refusal within the above stipulated period of 3 days.

(5) Unless specified otherwise by the State Commission concerned, the State Load Despatch Centre may charge a fee of Rupee five thousand (Rs 5000/-) for processing applications for concurrence or "no objection" or prior standing clearance.

Procedure for Advance Scheduling for bilateral transactions

9. (1) An application for advance scheduling for a bilateral transaction may be submitted to the nodal agency up to the fourth month, the month in which an application is made being the first month:

Provided that separate application shall be made for each month, and for each transaction.

(2) (a) An application for inter-State scheduling during the fourth month shall be made up to the last day of the first month.

(b) All applications received shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant latest by the fifth day of the second month.

(3) (a) An application for inter-State scheduling during the third month shall be made up to five (5) days prior to the close of the first month.

(b) All applications received shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant latest by the close of the first month:

Provided that while accepting the application, open access granted to any person prior thereto shall not be withdrawn.

(4) (a) An application for inter-State scheduling in the second month shall be made with the nodal agency up to ten (10) days prior to the close of the first month.

(b) All applications shall be taken up together for consideration.

(c) The nodal agency shall convey its acceptance or otherwise to the applicant five days prior to the last day of the first month:

Provided that while accepting the application, open access granted to any person prior thereto shall not be withdrawn.

(5) Wherever the nodal agency rejects an application, it shall convey its reasons to the applicant in writing.

Congestion management

10. Where in the opinion of the nodal agency, grant of all applications at a particular stage of advance scheduling is likely to cause congestion in one or more of the transmission corridors to be used, it shall conduct electronic bidding for grant of open access for the available surplus transmission capacity among the applicants at that stage, in accordance with the detailed procedure:

Provided that if any person does not participate in the bidding process he shall be deemed to have withdrawn his application.

Procedure for scheduling of bilateral transactions on first-come-first-served basis

11. (1) The applications for grant of open access for the second month, received after the date specified in clause (4) of Regulation 9 and the applications for grant of open access during the first month shall be considered on first-come-first-served basis, and such transactions shall be scheduled subject to availability of the required transmission capacity:

Provided that such applications shall reach the nodal agency at least four (4) days in advance of the date of the bilateral transaction:

Provided further that separate application shall be made for each transaction.

(2) All these applications shall be processed and decided within three (3) days of their receipt.

Procedure for scheduling for day-ahead transactions

12. All applications for bilateral transactions received within three days prior to the date of scheduling and up to 1500 hrs of the day immediately preceding the date of scheduling shall be clubbed and treated at par, and shall be processed after processing of the applications for collective transactions received till 1500 hrs.

Illustration:

An application for scheduling a transaction on 25th day of a month, shall be processed on first-come-first-served basis only if such application is received till 21st

day of that month. If the application is received on 22nd day or 23rd day or up to 1500 hrs on 24th day, it shall be treated only after processing of the applications for collective transactions received up to 1500 hrs on 24th day for scheduling on 25th day.

Procedure for scheduling of transactions in a contingency

13. In the event of a contingency, the buying utility may locate a source of power to meet short-term contingency requirement even after the cut-off time of 1500 hrs of the preceding day and apply to the nodal agency for open access and scheduling and in that event, the nodal agency shall endeavour to accommodate such request as soon as and to the extent practically feasible, in accordance with the detailed procedure.

Revision of Schedule

14. (1) The open access schedules accepted by the nodal agency in advance and on first-come-first-served basis may be cancelled or revised downwards by the applicant by giving a minimum five (5) days' notice, excluding the day on which notice is served and the day from which revised schedules are to be implemented.

(2) The applicant shall continue to be liable to pay transmission charges as per the schedule originally approved, if the period of revision or cancellation is up to five (5) days.

(3) If the period of revision or cancellation exceeds five (5) days, transmission charges for the period beyond five (5) days shall be payable in accordance with the revised schedule and for the first five days (5) in accordance with the original schedule.

(4) In case of cancellation, operating charges shall be payable for five (5) days or the period of cancellation in days, whichever is less.

Curtailment in case of transmission constraints

15. (1) When for the reason of transmission constraints or to maintain grid security, it becomes necessary to curtail power flow on a transmission corridor, the transactions already scheduled may be curtailed in the manner decided by the Regional Load Despatch Centre, if in its opinion such curtailment is likely to relieve the transmission constraint or is likely to improve grid security.

(2) In case of inter-regional bilateral transactions, approved schedule may be revised or cancelled by the Regional Load Despatch Centre, if the Central Government allocates power from a central generating station in one region to a person in the other region and such allocation, in the opinion of the Regional Load Despatch Centre, cannot otherwise be implemented because of congestion in inter-regional link. The intimation about such revision or cancellation shall, as soon as possible, be conveyed to the affected open access customers.

(3) In case of curtailment of the approved schedule by the Regional Load Despatch Centre, transmission charges shall be payable pro-rata in accordance with the curtailed schedule:

Provided that operating charges shall not be revised in case of curtailment.

Transmission Charges

16. (1) In case of bilateral transactions, for use of the inter-State transmission system, the transmission charges at the rate specified hereunder shall be payable by the applicant for the energy approved for transmission at the point(s) of injection:

<u>Type of Transaction</u>	<u>Transmission charges(Total)</u> <u>(Rs./MWh)</u>
(a) Bilateral, intra-regional	30
(b) Bilateral, between adjacent regions	60
(c) Bilateral, wheeling through one or more intervening regions	90

(2) In case of the collective transaction, for use of the inter-State transmission system, transmission charges at the rate of Rs.30/MWh for energy approved for transmission for each point of injection and for each point of drawal shall be payable.

(3) The intra-State entities shall additionally pay transmission charges for use of the State network as determined by the respective State Commission:

Provided that in case the State Commission has not determined the transmission charges, the same shall not be a ground for denial of open access and charges for use of respective State network shall be payable for the energy approved at the rate of Rs.30/MWh:

Provided further that transmission charges for use of the State network shall be intimated to the Regional Load Despatch Centre concerned for display on its web site:

Provided also that transmission charges shall not be revised with retrospective effect.

Operating Charges

17. (1) Operating charges at the rate of Rs. 2,000 /- per day or part of the day for each bilateral transaction for each of the Regional Load Despatch Centre

involved and at the rate of Rs.2,000 /- per day or part of the day for each State Load Despatch Centre involved shall be payable by the applicant.

(2) In case of the collective transaction, operating charges shall be payable by the power exchange @ Rs.5000/- per day to the National Load Despatch Centre for each State involved and Rs.2,000 /- per day for the State Load Despatch Centre involved for each point of transaction.

(3) National Load Despatch Centre shall share the operating charges with the Regional Load Despatch Centres in such manner as may be decided by the Central Transmission Utility.

(4) All buyers within a State shall be clubbed together and all sellers within a State shall be clubbed together by the power exchange (with necessary coordination with the State Load Despatch Centre) and each of the groups shall be counted as a single entity by National Load Despatch Centre for levy of operating charges and for scheduling:

Provided that for levy of operating charges for State Load Despatch Centre and levy of the intra-State transmission charges, each point of injection or drawal in the State network shall be counted separately.

Note 1

The operating charges include fee for scheduling, system operation and collection and disbursement of charges.

Note 2

The operating charges collected by the nodal agency shall be in addition to the fees and charges specified by the Commission under sub-section (4) of Section 28 of the Act.

Payment of transmission charges and operating charges

18. In case of the bilateral transaction, the applicant shall deposit with the nodal agency transmission charges and operating charges within three (3) working days of grant of application and in case of collective transactions, the power exchange shall deposit with the nodal agency these charges by the next working day falling after the day on which its application was processed:

Provided that in case of the collective transactions, the transmission charges for use of State network and operating charges for State Load Despatch Centre shall be settled directly by the power exchange with respective State Load Despatch Centre.

Default in payment of open access charges

19. (1) In case of default in payment of the application fee or the charges specified under these regulations, the nodal agency may, in its discretion, decide not to schedule the transaction, or to cancel the scheduling of already scheduled transaction or not to entertain any application of such persons in future until such time the default is cured.

(2) Notwithstanding the above, the person committing default in payment shall pay simple interest at the rate of 0.04% for each day of default.

Unscheduled Inter-change (UI) Charges

20. (1) All transactions for State utilities and for intra-State entities scheduled by the nodal agency under these regulations, shall be accounted for and included in the respective day-ahead net interchange schedules of the concerned regional entity issued by the Regional Load Despatch Centre.

- (2) Based on net metering on the periphery of each regional entity, composite UI accounts shall be issued for each regional entity on a weekly cycle and transaction-wise UI accounting, and UI accounting for intra-State entities shall not be carried out at the regional level.
- (3) The State utility designated for the purpose of collection / disbursement of UI charges from / to intra-State entities shall be responsible for timely payment of the State's composite dues to the regional UI pool account.
- (4) Any mismatch between the scheduled and the actual drawal at drawal points and scheduled and the actual injection at injection points for the intra-State entities shall be determined by the concerned State Load Despatch Centre and covered in the intra-State UI accounting scheme.
- (5) Unless specified otherwise by the concerned State Commission, UI rate for intra-State entity shall be 105% (for over-drawals or under generation) and 95% (for under-drawals or over generation) of UI rate at the periphery of regional entity.
- (6) In an interconnection (integrated A.C. grid), since MW deviations from schedule of an entity are met from the entire grid, and the local utility is not solely responsible for absorbing these deviations, restrictions regarding magnitude of deviations (except on account of over-stressing of concerned transmission or distribution system), and charges other than those applicable in accordance with these regulation (such as standby charges, grid support charges, parallel operation charges) shall not be imposed by the State Utilities on the customers of inter-State open access.

Reactive Energy Charges

21. (1) No separate reactive energy charge accounting for open access transactions shall be carried out at inter-State level:

Provided that the State Utility designated for the purpose shall be responsible for timely payment of the State's composite dues to the regional reactive charge account in accordance with the provisions of the Grid Code.

- (2) The reactive energy draws and injections by the intra-State entities shall be governed by the regulations applicable within the State concerned.

Special Energy Meters

22. (1) Special Energy Meters shall be installed by the Central Transmission Utility for and at the cost of the regional entities and by the State Transmission Utility for and at the cost of the intra-State entities.

(2) Special Energy Meters installed shall be capable of time-differentiated measurements for time block wise active energy and voltage differentiated measurement of reactive energy in accordance with Annexure – 2 to Chapter–6 of the Grid Code.

(3) Special Energy Meters shall always be maintained in good condition.

(4) Special Energy Meters for the regional entities shall be open for inspection by any person authorized by the Central Transmission Utility or the Regional Load Despatch Centre.

Transmission losses

23. (1) The buyers and sellers of the electricity shall absorb apportioned energy losses in the transmission system as estimated by the Regional Load Despatch

Centre and the State Load Despatch Centre concerned, and applied in accordance with the detailed procedure.

(2) The energy losses shall be accounted for by providing a differential between schedules at the points of supply, inter-utility transfer and drawal of electricity.

(3) The applicable transmission losses for the regional transmission system as well as for State network shall be declared in advance and shall not be revised retrospectively.

Compliance of Grid Code

24. The buyers and sellers of energy shall comply with the provisions of the Grid Code in force from time to time.

Collection and Disbursement of transmission charges and operating charges

25. (1) The transmission charges and the operating charges payable by the persons allowed open access shall be collected and disbursed by the nodal agency, except for transmission charges for State network and operating charges for State Load Despatch Centre in the case of the collective transaction.

(2) The transmission charges collected for use of the transmission system other than the State network for a bilateral transaction in accordance with these regulations, shall be utilized for reduction in monthly transmission charges payable by long-term customers of the region concerned in the following manner after allowing 25% of the transmission charges to be retained by the Central Transmission Utility-

- (a) In case of intra-regional bilateral transaction: 75% of the transmission charges to the region concerned.
 - (b) In case of bilateral transaction between adjacent regions: 37.5% of the transmission charges for each region.
 - (c) In case of bilateral transaction through one or more intervening regions: 25% of the transmission charges for each of importing and exporting each region and remaining 25% of the transmission charges to be allocated equally among intervening regions.
- (3) The transmission charges collected for use of the transmission system other than the State network for a collective transaction shall be disbursed in the following manner, namely-
- (a) 25% of the transmission charges payable for each point of injection and each point of drawal shall be retained by the Central Transmission Utility
 - (b) 75% of the transmission charges payable for each point of injection and each point of drawal shall be used for reduction in transmission charges payable by long-term customers of the region in which point of injection or point of drawal, as the case may be, is situated.
- (4) The transmission charges for use of State network shall be disbursed to the State Transmission Utility concerned.
- (5) In case a State utility is the open access customer, the operating charges and the transmission charges to be collected by the nodal agency shall not include the charges for the State network and operating charges for the State Load Despatch Centre.

Redressal Mechanism

26. Unless the dispute involves the State Load Despatch Centre and the intra-State entities of the concerned State and falls within the jurisdiction of the State Commission, all disputes arising under these regulations shall be decided by the Commission based on an application made by the person aggrieved.

Information System

27. National Load Despatch Centre and each Regional Load Despatch Centre shall post the following information on their websites in a separate web-page titled "Open access information":

- (a) These regulations;
- (b) The detailed procedure;
- (c) A list of bilateral transactions accepted as the nodal agency, to be displayed till the end of the month in which transactions are scheduled, indicating:
 - (i) Name of customers;
 - (ii) Period of the open access granted (start date and end date);
 - (iii) Point or points of injection;
 - (iv) Point or points of drawal;
 - (v) Transmission systems used (in terms of regions and States);
 - (vi) Accepted schedule (MW) with start time and end time;

Note

The status report shall be updated daily.

- (d) Information regarding usage of the inter-regional links.

(e) The information regarding average regional energy losses for the previous 52 weeks.

(f) Transmission charges and applicable transmission losses for various State networks as informed by the State utilities concerned.

(g) The list of open access applications for advance scheduling received as the nodal agency which have not been accepted, along with reasons for denial, to be displayed till one month after the scheduling period.

Savings and Repeal

28. (1) The provisions of the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 shall not apply to the open access customers whose applications are processed under these regulations.

(2) The provisions relating to long-term customers as contained in the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 shall continue to apply till Commission notifies separate regulations covering aspects relating to long-term customers.

(3) The provisions relating to short-term open access as contained in the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 shall stand repealed on 1.4.2008.

Sd/-
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