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POSOCO REGULATORY TRACKER

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MNRE insists on protecting the “must-run” status of renewable projects

On 01.04.2020, MNRE issued an Office Memorandum (O.M.) clarifying that the 'Must Run' status of RE generating stations remains unchanged and that the payments to RE generators should be done on a regular basis as was done prior to nation-wide lockdown.

Subsequently, on 04.04.2020, MNRE issued an O.M. in furtherance of its O.M. dated 01.04.2020 and clarified that the 'Must Run' status of RE generators remains unchanged and that any curtailment but for grid safety reason would amount to deemed generation. MNRE has also rejected any claim by Discoms of force majeure under the renewable PPAs on account of lack of finance or funds.



CERC gives relaxation for delayed payment by DISCOMs

Keeping in view the directions issued by the Government of India under section 107 of the Act and to address the difficulties faced by the distribution companies (beneficiaries of the generating stations and long term customers of inter-State transmission systems) on account of the unprecedented situation arising out of the restrictions placed by the Central Government and State Governments on the movement of public and opening of offices and establishments etc., the Commission vide Order dated 03.04.2020 in Suo Motu Petition No.6/SM/2020 relaxed the provisions of Regulation 59 of 2019 Tariff Regulations to provide that if any delayed payment by the distribution companies to the generating companies and inter-State Transmission licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned distribution companies shall make the payment with LPS at the reduced rate of 12% per annum that translates into 1% per month.



As per the directions issued under Section 107 of the Act, the generating companies whose tariff has been determined under Section 63 of the Act by this Commission, relief on the Late Payment Surcharge for payment which become delayed beyond 45 days (from the date of presentation of the bill) during the period from 24.03.2020 to 30.06.2020 may be claimed in terms of the force majeure provisions of the respective power purchase agreements (PPAs).

Similarly, in cases of inter-State transmission licensees whose tariff has been adopted under Section 63 of the Act by the Commission, Late Payment Surcharge shall be governed in accordance with the provisions of Transmission Service Agreements (TSAs) read with Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2010 as amended from time to time and the procedures issued there-under.



MoP clarifies regarding payment of Letter of Credit by DISCOMs

Earlier MoP had vide letter No.23/22/2019-RR dated 28.03.2020 relaxed the requirement of either making prepayment or giving Letter of Credit (LoC) for the entire cost of the power sought to be scheduled, that was put in place on the 20.06.2019, to the effect that during the period 24.03.2020 to 30.06.2020, the requirement of prepayment / giving LoC before power is scheduled shall be for 50% of the cost of power.

MoP has vide letter No. 23/22/2019-R&R Part-4 dated 06.04.2020 clarified that the obligation to pay for the power within 45 days of the presentation of bill (or the period given in the PPA) remains the same. Therefore, while for scheduling power the Distribution Companies will need to either deposit or give LoC for 50% of the cost of power they want to be scheduled, the remaining 50% will have to be paid within the period given in the PPA, failing which the delayed payment surcharge will apply. Thus, the obligation to pay for the power within 45 days of the presentation of bill (or the period given in the PPA) remains the same.

Late payment surcharge shall apply at reduced rate only for the period between 24.03.2020 to 30.06.2020 (on those payments that become overdue during the period 24.03.2020 to 30.06.2020 and

not on those payments which were already overdue before 24.03.2020) and after 30.06.2020 the delayed payment surcharge shall be payable at rates given in the PPA/regulations. Further, obligation to pay for capacity charges as per the PPA shall continue, as does the obligation to pay for transmission charges.



CERC notifies Second Amendment to Payment of Fees Regulations, 2020

The Commission had vide notification dated 23.03.2020 issued the Draft CERC (Payment of Fees) (Second Amendment) Regulations, 2020. After due consideration of the comments/suggestions provided by the stakeholders, the Commission has notified the Second Amendment to the Principal Regulations on 13.04.2020.

Clause (3) of Regulation 7 of the Regulations has been amended such that any person who has been granted or is deemed to have been granted licence by the Commission for inter-State trading in electricity in accordance with Trading Licence Regulations, 2020 shall pay the annual licence fee at the rates specified hereunder:

S. No.	Category of licence	Volume of electricity proposed to be traded in a Financial Year	Annual Licence Fee (Rs. in lakh)
1	Category I	No Limit	40
2	Category II	Upto 7000 MUs	15
3	Category III	Upto 4000 MUs	6
4	Category IV	Upto 2000 MUs	3
5	Category V	Upto 500 MUs	2

The following provisos have been laid down in the amendment to this Regulation-

- The licensees shall pay the annual licence fee of their respective categories of licence under the Trading Licence Regulations, 2020 based on their Net Worth and volume of electricity, as determined in accordance with Trading Licence Regulations, 2020.
- The annual licence fee shall be paid for the financial year 2020-21 as under:



(a) Category III and IV licensees under Trading Licence Regulations, 2009 shall pay the annual licence fee as applicable for Category V licensee under the Trading Licence Regulations, 2020; (b) Category II licensees under Trading Licence Regulations, 2009 shall pay the annual licence fee as applicable for Category IV licensee under the Trading Licence Regulations, 2020; and (c) Category I licensees under Trading Licence Regulations, 2009 shall pay the annual licence fee as applicable for Category I or II or III or IV licensee, as applicable, under the Trading Licence Regulations, 2020 based on the volume proposed to be traded during 2020-21.

- The annual licence fee for the financial year 2020-21, paid as per (a), (b) or (c) above is subject to adjustment of fee as per the determination of category of trading licence in accordance with Trading Licence Regulations, 2020.

Further, since the Trading Licence Regulations, 2009 and Trading Licence Regulations, 2020 have been frequently used in this amendment to the Principal Regulations; the same have been included under “definitions” as under:

“**Trading Licence Regulations, 2009**” means the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, as amended from time to time;

“**Trading Licence Regulations, 2020**” means the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020, as amended from time to time.”

For further details visit <http://www.cercind.gov.in/2020/regulation/157-Reg.pdf>



MoP proposes Amendment to Electricity Act, 2003

MoP has vide notification dated 17.04.2020 proposed a draft Bill on Amendment to Electricity Act, 2003. The Bill seeks to introduce the following changes to the Act-



- **Definitions**

“**Cross border trade of electricity**” means transactions involving import or export of electricity between India and any other country and includes transactions related to passage of electricity through our country in transit between two other countries.

“**Distribution sub-licensee**” means a person recognized as such and authorized by the distribution licensee to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission. Any reference to a distribution licensee under the Act shall include a reference to a sub-distribution licensee;

- **Establishment of Electricity Contract Enforcement Authority-** which shall be sole authority and having original jurisdiction to adjudicate upon matters regarding specific performance of contracts related to purchase or sale of power between a generating company and a licensee or between licensees; and contracts related to transmission of electricity between a generating company and a licensee or between licensees.
- **Strengthening of APTEL** in terms of strength of Members and powers of Tribunal.
- **Single Selection Committee** for Chairperson and Members of Commission and APTEL.
- Qualifications for appointments of Chairperson and Members of Central and State Commission are proposed to be made uniform.
- Central Government to prepare and notify a **National Renewable Energy Policy** for the promotion of generation of electricity from renewable sources of energy and prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.
- Empower load dispatch centre to oversee the **payment security mechanism** before scheduling dispatch of electricity and to be made mandatory considering sanctity of the existing contracts unless it is waived by the parties to contract themselves.
- **Cost reflective Tariff, Simplification of Tariff Structure & Cross Subsidy**
- State commissions to determine tariff for retail sale of electricity without any subsidy under section 65 of the Act.
- Central Commission has been empowered to oversee the cross border transactions.
- Deemed adoption of Tariff discovered through competitive Bid.
- Strengthened section 142 and section 146 of the Electricity Act with **increased penalties**.



- The Distribution licensee can recognize and authorize a person as “**Distribution sublicensee**” to distribute electricity on its behalf in a particular area within its area of supply, with the permission of the appropriate State Commission.

For further details visit

[https://powermin.nic.in/sites/default/files/webform/notices/Draft Electricity Amendment Bill 2020 for comments.pdf](https://powermin.nic.in/sites/default/files/webform/notices/Draft_Electricity_Amendment_Bill_2020_for_comments.pdf)



CERC extends and expands the pilot on SCED

The Commission has vide Order dated 18.04.2020 in Petition No. 08/SM/2020 (Suo-Motu) decided to extend implementation of SCED pilot for the period from 1st June, 2020 to 31st March, 2021, and expand its scope to all generating stations, other than the thermal ISGS whose tariff is determined by the Commission, willing to participate in the pilot .

The order further gives directions to the generators to declare their variable charge upfront to POSOCO, along with the technical, operational and other parameters as required by NLDC/ RLDC/ RPCs. The net savings after adjusting the compensation for part load operation to the generators shall be shared among the beneficiaries and the participating generators in a manner specified in the order, during the extended period of the pilot. POSOCO has been directed to apprise the Commission on the operation of the expanded SCED on monthly basis, so that the Commission can take regular review and carry out any modifications, as required. The Commission also directed POSOCO to submit periodic detailed feedback report covering all the aspects.



CERC Determines PoC rates and transmission losses for the period of April to June 2020

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and



Regulations, 2010 came into effect from 1.7.2011. The Commission has examined the basic network data and assumptions, the results of the Load Flow Studies, the Yearly Transmission Charges of the ISTS licensees and the calculation of PoC Charges for demand zone and injection zone (for LTA to target region) submitted by the Implementing Agency. The Commission has also examined the calculation of losses on PoC based on average losses. Final % losses shall be applicable on demand zones and injection zones.

The Commission has vide Order dated 23.04.2020 in Petition No.L-1/44/2010-CERC laid down the applicable PoC slab rates for Long Term Access (LTA) and Medium Term Open Access (MTOA) in ₹/MW/month for each demand zone (for withdrawal DICS) and injection zone (for injection DICS having LTA to target region). The slabs for POC rates for LTA/MTOA are as follows:-

PoC Slab	(₹/MW/Month)
I	479466
II	426572
III	373678
IV	320784
V	267890
VI	214997
VII	162103
VII	109209
IX	56315

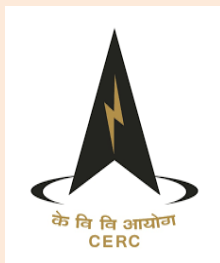
The applicable PoC slab rates for Short Term Open Access (STOA) in paise per unit for each demand zone (for withdrawal DICS) and injection zone (for injecting DICS) have also been laid down in the order.

The slabs for POC rates towards STOA

PoC Slab	(paise/unit)
I	28.42
II	25.30
III	22.19
IV	19.07
V	15.96
VI	12.84
VII	9.73
VII	6.61
IX	3.50

The slabs of Transmission loss

PoC Slab	% of Losses
I	V +1.00%
II	V +0.75%
III	V +0.50%
IV	V +0.25%
V	Average Loss
VI	V -0.25%
VII	V -0.50%
VII	V -0.75%
IX	V -1.00%



CERC extends validity of RECs

The Commission vide Order dated 30.12.2019 in Petition No. 13/SM/2019 extended the validity of RECs which had expired/ were likely to expire between 1st November 2019 and 31st March, 2020 upto 31st March, 2020

1,30,500 RECs (34,768 Solar and 95,732 Non-Solar) which were issued prior to 01.04.2017, have expired as on 1st April, 2020.

Further, 32,069 RECs which were issued after 01.04.2017, are due to expire within the next six months.

This includes 674 Solar RECs and 31,395 Non-Solar RECs.

The Commission has reviewed the performance of REC market in terms of participation of buyers and sellers, volume cleared and the prices discovered, and is of the view that there is a need to extend the validity of these RECs, so as to avoid demand supply imbalance in the REC market.

The Commission has, therefore, vide Order dated 27th April, 2020 in Petition No. 9/SM/2020 extended the validity of RECs which have expired as on 1st April 2020 up to 31st October 2020.

In addition, the validity of RECs which are likely to expire between 1st April 2020 and 30th September 2020 is also extended upto 31st October, 2020. Accordingly, RECs which have expired/are due to expire between 1st April 2020 and 30th September, 2020 shall remain valid upto 31st October, 2020.



Implementation of Realtime Market (RTM) for Electricity in India – Transmission Corridor Allocation

The Commission has vide Order dated 28th May, 2020 in Petition No. 10/SM/2020 (Suo-Motu) laid down the following directions to be incorporated in the detailed procedure for scheduling of collective transactions in RTM issued by NLDC (POSOCO)-

- a. The Real Time Market shall be implemented w.e.f. 1st June, 2020 as already notified by the Commission on 20th March, 2020.
- b. The limit for scheduling of collective transaction during real time for respective Power Exchanges (reference Regulation 6.5 (5) (aa) of Part 6 of the IEGC, added vide the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Sixth Amendment) Regulations, 2019) shall be worked out in accordance with the following directives:-
 - (i) At Gate Closure, the NLDC shall announce the available transfer capability (ATC) for Real time transactions;
 - (ii) Both the Power Exchanges shall run the process of bid matching considering all the buy and sell bids on their platform, factoring ATC for Real time transactions, announced by the NLDC.
 - (iii) The initial market clearing volume derived in this process shall be submitted to the nodal agency, NLDC. NLDC shall verify the combined volume cleared in both exchanges against the ATC for RTM.
 - (iv) If the combined cleared volume of the two Power Exchanges is within the ATC for Real time transaction, the initial results shall be confirmed by NLDC to the Power Exchanges. In the event of the combined volume exceeding the ATC for RTM, the allocation of available corridor margin between the Power Exchanges shall be in the ratio of the initial market clearing volume of RTM in the respective Power Exchanges, and accordingly, this shall be communicated to the Power Exchanges. The Power Exchanges shall thereafter submit the final trades in conformity with the available corridor margin as provided by the NLDC.



- (v) In the extreme event of failure of communication between the NLDC and the Power Exchange(s) or for reasons such as data transfer failure, if the final cleared trades are not received by NLDC for scheduling through the RLDCs, or if the information regarding available corridor margin is not received by Power Exchanges(s), the schedules for such RTM session(s) shall be made zero by NLDC
- c. The entire process as above needs to be completed within 15 minutes. Therefore, the necessary software and communication between NLDC and the Power Exchanges are required to be adequate and the process be made fully automated to ensure smooth run of the market sessions throughout the day. Additionally, Power Exchanges need to ensure robust and redundant communication system for uninterrupted and reliable interfacing with NLDC.
- d. The above arrangement shall, to start with, be applicable for the period from 1st June, 2020 to 14th June, 2020. The complete record of transactions during the said period, including time block wise - available transmission corridor, initial market clearing volumes of the Power Exchanges, events of transmission congestion, cleared volumes in the Power Exchanges, performance of software and communication link shall be compiled and examined by NLDC and reported to the Commission for the period 1st June, 2020 to 7th June, 2020 and 8th June, 2020 to 12th June, 2020 on 9th June, 2020 and 13th June, 2020, respectively. Based on the report and analysis of NLDC, the Commission shall review and decide the principles for allocation of transmission corridor for the period beyond 14th June 2020.

The Commission has vide Order dated 14.06.2020 in Petition No. 12/SM/2020 (Suo-Motu) decided to continue with the same principle and methodology of transmission corridor allocation among the Power Exchanges for RTM beyond 14th June 2020, as provided in the order dated 28th May 2020 in Petition No.10/SM/2020.

The Commission has further directed that NLDC shall compile and examine complete record of transactions under RTM for every month, including time block-wise ATC, initial market clearing volumes of the Power Exchanges, events of transmission congestion, cleared volumes in the Power Exchanges, performance of software and communication and submit a monthly report to the Commission.



Removal of difficulties w.r.t CERC (Deviation Settlement Mechanism and related matters) (Fifth Amendment) Regulations, 2014

The Commission had notified the DSM (Fifth Amendment) Regulations, 2019 on 28.05.2019, which came into force with effect from 03.06.2019 wherein Regulation 7(10) of the DSM Regulations was amended as under:

1. Regulation 7 (10) (a), to be applicable upto 31.03.2020, made sign change reversal mandatory for entities latest by 13th time block.
2. Regulation 7 (10) (b), to be applicable from 01.04.2020, made sign change reversal mandatory for entities latest by 7th time block.

Subsequently, the Commission vide Order dated 27.03.2020 in Suo Motu Petition No 4/SM/2020 deferred the date of implementation of Regulation 7(10)(b) as amended vide DSM Fifth Amendment Regulations, to 1.6.2020.

However, various stakeholders expressed difficulties in implementing the provisions of Regulation 7(10)(b) as amended vide DSM Fifth Amendment Regulations.

The Commission noted that the country continues to face unprecedented difficulties due to the COVID-19 pandemic. There has also been an impact on grid operation due to low demand.

The Commission also noted that the Real Time Market(RTM) is being implemented with effect from 01.06.2020 with the objective of providing options to stakeholders to correct their position in terms of surplus or deficit of demand/generation closer to real time, though some time may be needed for the distribution companies to adjust to this new environment.

In this backdrop the Commission has vide Order dated 29.05.2020 in /Petition No.: 11/SM/2020 rescheduled the date of implementation of provisions and applicability of Regulation 7(10)(b) as amended vide DSM Fifth Amendment Regulations from 1.6.2020 to 1.12.2020 thereby extending applicability of Regulation 7(10)(a) as amended vide DSM Fifth Amendment Regulations up to 30.11.2020.



MoP revised Guidelines for EV Charging Infrastructure

The "Charging Infrastructure for Electric Vehicles - Guidelines and Standards" were issued by the Ministry of Power on 14.12.2018 which were subsequently revised on 01.10.2019. On 08.06.2020 MoP has notified Amendment in the revised Guidelines and Standards for Charging Infrastructure for Electric Vehicles.

The amendment has now specified that the tariff for the supply of electricity to the EV public charging stations should not be more than 15% of the average cost of supply of power.

This ceiling was not given in the earlier guidelines.

Besides this, the amendment has added a few more important points to the existing guidelines.

The amendment has now added a clause to say that for all practical purposes, the battery charging station (BCS) will be treated at par with the public charging station (PCS), and the applicable tariff for electricity supply will also be the same as for the PCS. Here, PCS means any EV charging station, while BCS implies a station where the discharged or partially discharged batteries of EVs can be recharged electrically.

As per the amendment, the captive charging station for EVs will be fully owned by the owner of the charging station, and it will not be used for commercial purposes.

For further details visit

<https://powermin.nic.in/sites/default/files/webform/notices/Amendment%20in%20Revised%20Guidelines.pdf>



CERC determines Forbearance and Floor Price for the REC framework

The Commission has vide Order dated 17.06.2020 in Petition No.: 05/SM/2020 proposed new forbearance prices against 2017's prices of ₹2,400 /REC and ₹3,000 /REC, for solar and non-solar RECs respectively. It has also proposed to reduce the floor price to zero.

Floor and Forbearance price for Non-Solar RECs shall be as follows:

	Non-Solar REC (Rs./ MWh)
Forbearance Price	1,000
Floor Price	0

The forbearance price and floor price for Non-solar RECs shall be applicable to Non-solar RECs issued on or after 01.04.2017.

Floor and Forbearance price for Solar RECs shall be as follows:

	Solar REC (Rs./ MWh)
Forbearance Price	1,000
Floor Price	0



The forbearance price and floor price as above shall be effective from 01.07.2020 and shall remain in force till 30.06.2021 or until further orders of the Commission.



CERC notifies Sharing of Inter-State Transmission Charges and Losses Regulations, 2020

The Commission had notified the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 on 15.06.2010. The Sharing Regulations 2010 came into effect from 1.7.2011. Till date there have been six amendments to Sharing Regulations 2010.

Keeping in view the fact that CERC (Sharing of inter-state transmission charges and losses) Regulations were issued in 2010 and with time and experience, periodic review of the regulation was envisaged and keeping in view requests of stakeholders, the Commission had constituted a taskforce vide CERC's Office Order dated 10.7.2017 under Chairmanship of Shri A.S. Bakshi (then Member, CERC) to review the framework of Point of Connection (POC) Charges.

The terms of Reference (ToR) were interalia to critically examine the efficacy of the existing PoC mechanism, deficiency in the existing mechanism, if any, and in the light of issues and concerns of various stakeholders suggest modifications required in the existing mechanism. The Task Force had submitted its report to the Commission in March 2019.

Subsequently, in order to formulate the draft Regulations keeping in view the Bakshi Committee Report and future power scenario, the Commission had constituted a Committee under Sh. I.S.Jha, Member-Technical (CERC) in May 2019.

The Committee submitted its Report to the Commission in August 2019 along with proposed draft Regulations.



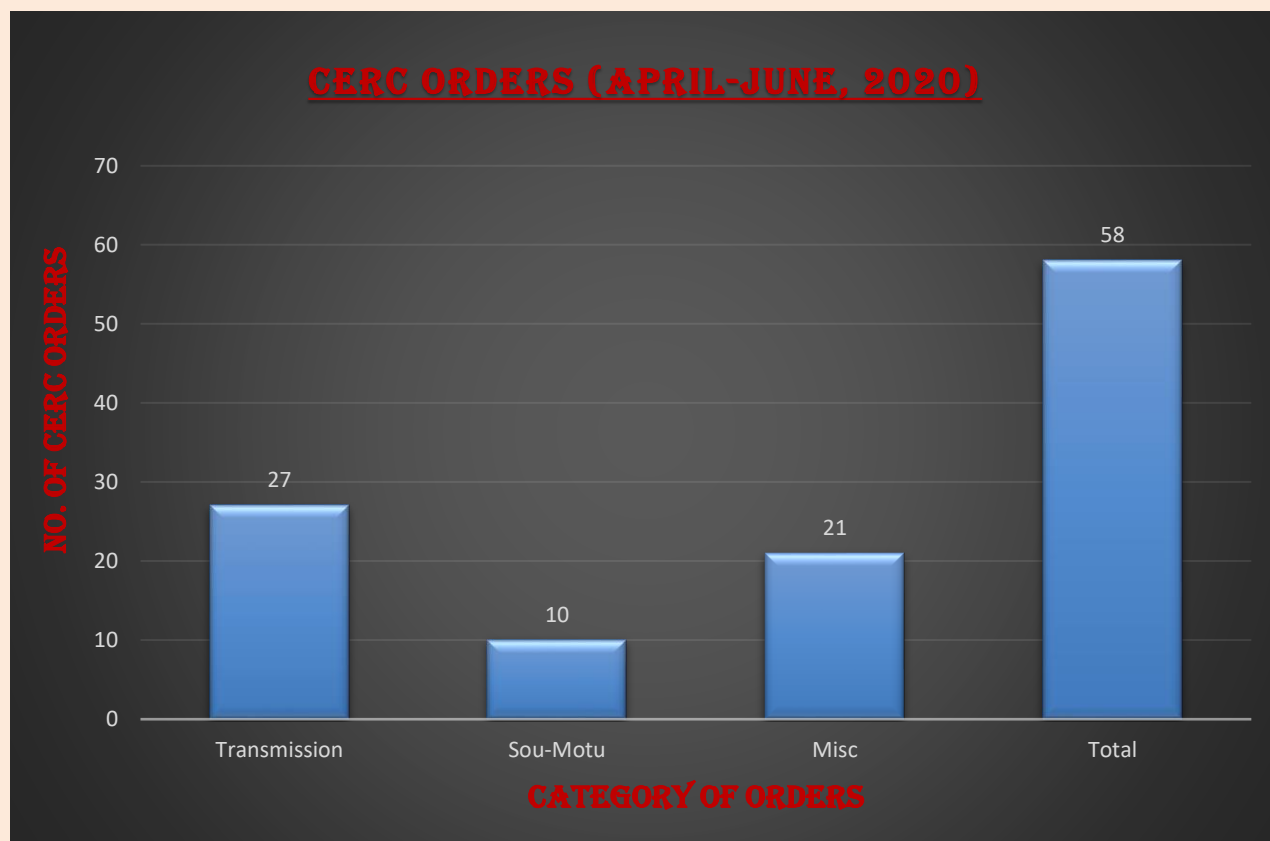
Thereafter, the Commission had notified the Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2019 on 31.10.2019.

On 04.05.2020, the Commission has notified the new Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 in supersession of existing Sharing Regulations 2010.

For further details visit <http://www.cercind.gov.in/2020/regulation/158-Reg.pdf>

Draft Regulations notified by CERC:

Notification	Date	Link
Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2020.	01.04.2020	http://www.cercind.gov.in/2020/draft_reg/ND-01-04-20.pdf
Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020.	28.04.2020	http://www.cercind.gov.in/2020/draft_reg/DR-29.04.2020.pdf
Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2020	01.06.2020	http://www.cercind.gov.in/2020/draft_reg/Draft_Regulations-01-06-20.pdf



Regulatory Updates from Northern Region

Standards of Performance of Distribution Licensees and Determination of Compensation Regulations, 2020

The Haryana Electricity Regulatory Commission specified the Standards of Performance for the Distribution Licensee on 2004, followed by its first amendment on 2007. Based on the Report on Power Quality of Electricity Supply to the Consumers, the Commission has on 24.04.2020 notified the new 2020 Regulations on the subject.

Highlights of the said regulation are:

- To maintain the Power quality, limits are specified for Supply voltage variations, supply voltage



flicker, supply voltage unbalance, voltage swells, voltage harmonics, short/long interruptions etc.

- For Power quality monitoring, Power Quality meters shall be installed at selective locations. The distribution licensee shall publish the reports indicating the compliance with the standards under these Regulations and post all the reports on its website.
- The distribution licensee shall make efforts to improve power quality in their supply area by deploying devices to mitigate power quality issues such as filters or controllers etc. The expenses incurred towards deploying these devices by the distribution licensee shall be considered in the ARR.
- The distribution companies shall ensure the data security.
- From the second year after notification of PQ Regulations, an incentive/dis-incentive mechanism shall be implemented for distribution licensees and for designated customers. The distribution licensees or designated customers shall be liable to pay compensation.
- Level of compensation payable for failure to meet power quality standards are also specified.
- Timelines for restoration of Power Supply by the Distribution Licensee in case of planned /unplanned outage are specified.

For further details visit <https://herc.gov.in/WriteReadData/Pdf/R20200424.pdf>

Haryana Electricity Regulatory Commission (Communication System for Intra-State transmission of electricity) Draft Regulations, 2020.

Highlights of Draft Regulation as notified on 20.04.2020 are as follows:

- SLDC shall be the coordinating agency for ensuring integration of communication system at Intra-State level with SCADA, WAMS, VCS, AMR, EPABX, Tele-protection system and the communication system with State Generating Stations, distribution companies, Intra-State entities, intra-State transmission system, etc.
- The SLDC shall monitor and certify availability of communication equipment for STU, intra-state generators, SLDCs based on the data furnished by the intra-state entities.
- All users of SLDCs, STUs shall maintain the communication channel availability at 99.9% annually for the fibre-based communication network and 90% for the communication system based on PLCC. Provided that with back up communication system, the availability of



communication system should be 100%.

For further details visit <https://herc.gov.in/WriteReadData/Pdf/D20200420.pdf>

Himachal Pradesh Electricity Regulatory Commission (Draft Power System Development Fund) Regulations, 2020.

Salient points of Draft Regulation as notified on 17.06.2020 are mentioned below:

- HPSLDC shall be the Nodal agency for overall coordination and shall look after submission of DPRs, disbursement and release of grant, monitoring, scrutinizing of schemes under execution etc.
- Formation of Monitoring committee and Appraisal Committee to review the progress of implementation of approved schemes, provide recommendations for release of funds, provide techno economic appraisal of the proposals submitted.

For further details visit <http://new1.hperc.org/File1/dpsdf20.pdf>

Regulatory Updates from Eastern Region

Reduced rate of Delayed payment surcharge (DPS)/late payment surcharge(LPS) for DISCOMs to the Generating Companies or Transmission licensee

Jharkhand State Electricity Regulatory commission (JSERC) has issued order dated 24th April,2020 to provisionally reduce the rate of late payment surcharge to 6% per annum, for such payments which become delayed beyond the due date for the period from 24.03.2020 till 30.06.2020, payable by DISCOMs to the GENCOs and TRANSCOs .

This order has been issued treating the restrictions imposed by the Central and State Government to contain COVID-19 as an event of Force Majeure. It has been clarified that if the period of 60 days beyond the due date of the presentation of the bill by the GENCOs and TRANSCOs, falls before 24.03.2020 or after 30.06.2020, DISCOMs shall be liable to pay the LPS as per the applicable Regulations i.e, 1.25% per month, calculated on daily basis.

For further details visit http://jserc.org/pdf/suo-moto_06_2020.pdf



Regulatory Updates from Western Region

Chhattisgarh State Electricity Regulatory Commission (Standards of Performance in Distribution of Electricity) Regulation, 2020

CSERC has notified Standards of Performance in Distribution of Electricity) Regulation, 2020 dated 27.05.2020. The regulation has enacted new rules in a bid to ensure interruption-free power supply to consumers and for the first time included the provision of giving compensation against extended outages.

Chhattisgarh has become the first state to implement 'compensation for power cut' policy. To fix quality parameters of power supply, CSERC had enacted rules for the same in 2006 but neither there was a provision of standard parameters for supply of uninterrupted power to consumers nor the provision of compensation to consumers against non-compliance of the rules.

System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) has been defined in the Regulation. As per the parameters, in a city having a population of 10 lakh or more, if power supply remains disrupted for a total 10 hours or more during a month from April to June, the distribution company will have to pay compensation to consumers. For other urban and rural areas, the time-limit has been set at 20 hours and 30 Hours respectively. Similarly, from July till March, if power outage exceeds 6 hours or more in a month in a city having a population of 10 lakh or more, 15 hours for other urban areas and 20 hours for rural areas, then consumers will be entitled for compensation from the distribution company. Timeline has also been estimated for restoring the power supply after power cut, after transformer fault, replacing damaged meters, installation of new power connection, etc. and compensation has been fixed accordingly in case of violation by the distribution licensees.

For further details visit

http://www.cserc.gov.in/Welcome/show_notified_regulation

Directions to mitigate the impact of COVID-19 on Generating Companies and Licensees in the State of Chhattisgarh

To deal with the ongoing COVID-19 pandemic, which has caused economic disruptions, the CSERC has issued an order bearing Suo Motu petition no 40 of 2020 dated 21.04.2020 reducing the payment of the late payment surcharge (LPS) to 0.75% per month in case of delayed payment by distribution



licensees to Generating Company, Transmission licensees and CSLDC, beyond 30 days from the date of presentation of the bills falling between March 23, 2020, and June 30, 2020. The Commission further noted that the generating companies whose tariff has been determined by the Commission, the relief on LPS, which is delayed beyond March 24, 2020, to June 30, 2020, maybe claimed in terms of the force majeure provisions in the respective Power Purchase Agreements (PPAs).

For further details visit http://www.cserc.gov.in/upload/petition_order/40_of_2020.pdf

Amendment to Madhya Pradesh Electricity Balancing and Settlement Code, 2015

MPERC vide notification dated 12.06.2020 issued 1st amendment to Madhya Pradesh Electricity Balancing and Settlement Code, 2015. The amendment is made to Clause no 8 of the principle regulation as follows:

“8 Procedure for Imbalance Settlement of Deviation Charges:

The pool balancing of Deviation Charges shall be done in following three steps

- (i) Pre pool balancing of Discoms (M.P Madhya Kshetra Vidyut Vitaran Co. Ltd.(CZ), M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd (EZ) M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd.(WZ)) shall be done for total Deviation Charges. The total Deviation Charges (payable/receivable) of Discoms shall be matched at day level.
- (ii) Pool balancing shall be done of all Intra State entities (under long term) excluding OACs.
- (iii) Pool balancing shall be done of all Intra State entities(under long term) including OACs and Generators injecting infirm power.”

For further details visit <http://www.mperc.in/2020-06-12%20B-S%20Code%201st%20Amendment.pdf>

Draft Regulations notified by Maharashtra SERC:

Notification	Date	Link
Draft Maharashtra Electricity Regulatory Commission (State Grid Code) Regulations, 2020	16.04.2020	https://www.merc.gov.in/faces/merc/common/outputClient.xhtml



Notification	Date	Link
Draft Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020	17.05.2020	https://www.merc.gov.in/faces/merc/common/outputClient.xhtml

Tariff Framework for procurement of power by distribution licensees and others from solar energy projects for the State of Gujarat

Gujarat Electricity Regulatory Commission (GERC) vide order dated 08.05.2020 had notified Tariff Framework for Procurement of Power by Distribution Licensees and Others from Solar Energy Projects and Other Commercial Issues for the State of Gujarat. The tariff framework, if finalized mandate competitive bidding for all solar projects, including small projects of 5 MW or less capacity. The Commission noted that the new control period of the tariff framework would be effective from the **date of this order up to March 31, 2023**.

The Commission added that solar power projects established with only new machinery would be eligible for the tariff approved in this order. The useful life period for solar projects during the new control period will be 25 years. The Commission further noted that solar projects commissioned and power purchase agreements (PPAs) signed during the new control period will be eligible to sell power to distribution licensees of Gujarat.

The Commission said that for the power generated from small-scale solar projects between 0.5 MW and 5 MW, the procurement price would be at the rate of tariff discovered by competitive bidding process at different time periods of six months plus an additional ₹0.20 (~\$0.003)/kWh for projects located outside the solar park. So, the average tariff, available as on April 01 (as discovered in the competitive bidding during the previous six months, October-March) will be applicable for the projects commissioned during April-September. Similarly, the average tariff, available as on October 01 (as discovered in the competitive bidding during the previous six months, April-September), will be applicable for the projects commissioned during October-March.

For further details visit

https://www.gercin.org/wp-content/uploads/2020/05/GERC-Solar-Tariff-Order-No.03-2020_08052020.pdf



Tariff Framework for procurement of power by distribution licensees from wind turbine generators for the State of Gujarat

Gujarat Electricity Regulatory Commission (GERC) vide order dated 30.04.2020 had notified tariff framework for procurement of power by distribution licensees from wind turbine generators and other commercial issues for the state of Gujarat. The Commission has decided that the tariff for all wind projects in the state will be determined through competitive bidding, doing away with the practice of generic tariffs. The Commission has also decided that the new control period of the tariff framework will be effective from **April 30, 2020, to March 31, 2022.**

To determine the tariff of wind projects below the threshold limit of eligibility for participating in the competitive bidding, the weighted average of the latest tariff discovered through a competitive bidding process will be taken. The threshold limit for such projects is 25 MW.

For further details visit

https://www.gercin.org/wp-content/uploads/2020/04/GERC-Wind-Tariff-Order-No.-02-of-2020_30042020.pdf

Regulatory Updates from Southern Region

Draft Amendment to the Tamil Nadu Electricity Supply Code, 2004

The draft amendment was notified on 28-04-2020. As per the provisions of the Tamil Nadu Electricity Regulatory Commission Supply Code, 2004, in the case of Low Tension (LT) services after taking the meter reading, the particulars of Meter readings, Energy consumption and charges payable will have to be incorporated in the Consumer Meter card. Consequent on the implementation of Smart metering system (AMR) by the Licensee for LT service connections, the consumption details are fed into the Licensee server automatically without any physical visit of the officials of the Licensee and hence the incorporation of the billing details such as, Electricity Consumption, Consumption charges for electricity, the due date of payment, demand for additional Security Deposit, any other demand/information, etc., in the white meter card would cause duplication of work load. However, in order to intimate the above consumption details to the consumers, it is proposed to provide the same to



to the consumers through email or SMS or any other electronic mode approved by the Commission.

For further details visit <http://www.tnerc.gov.in/regulation/draft%20regulations/2020/Draft-SC-14A.pdf>

Wavier / Reduction of late Payment Surcharge by DISCOMs

The Karnataka Electricity Regulatory Commission (KERC) has issued an order on 08.05.2020 lowering the late payment surcharges (LPS) by distribution companies (DISCOMS) to generation companies and transmission licensees in light of the ongoing coronavirus crisis.

After receiving directions from the state government, the Commission reduced the rate of LPS to 0.6% per month for payments delayed beyond 15, 30, 45, and 60 days from the date of presenting the bills. This would apply for bills generated between March 24, 2020, and June 30, 2020. The LPS rate before this revision stood at 15% per year or 1.25% per month.

For further details visit

<https://karunadu.karnataka.gov.in/kerc/Documents/Implementation%20of%20the%20directions%20of%20the%20GoK%20dated%2016.04.2020%20US%20108%20of%20the%20EA%202003.pdf>

Regulatory Updates from North Eastern Region

Notification	Date	Link
Suo-Motu order of Tripura State Electricity Regulatory Commission implementation of the directions under section 108 of the Electricity Act 2003 to implement measures to minimize public interface in view of Coronavirus epidemic (COVID- 19) –relaxation in TERC (Supply Code Regulation 2011 read with Standard of Performance Regulation -2004)- Waiver of 50% of partial late payment surcharge for delayed payment.	04.04.2020	terc.tripura.gov.in/sites/default/files/Order



Notification	Date	Link
Arunachal Pradesh State Electricity Regulatory Commission (Electricity Supply Code) Regulation, 2020	To be effective from 01.04.2020	http://www.apserc.nic.in/pdf/APSERC(ElectricitySupplyCode)%20Regulations%202020.pdf

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Disclaimer: The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. We request the readers' valuable inputs on the newsletter.

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