

# UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

‘Vidyut Niyamak Bhawan’, Near I.S.B.T., P.O.-Majra, Dehradun-248171

## Coram

Shri Subhash Kumar

Chairman

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## Uttarakhand Electricity Regulatory Commission (Terms and Conditions of Intra-State Open Access) (First Amendment) Regulations, 2016.

### Statement of Reasons

- 1 The Uttarakhand Electricity Regulatory Commission had notified the open access Regulations, namely UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015 (hereinafter referred to as “Principal Regulations”). The Commission issued the draft UERC (Terms and Conditions of Intra-State Open Access) (First Amendment) Regulations, 2016 inviting comments/objections/suggestions on the same from the stakeholders on 06.08.2016. Last date of submission of comments/objections/suggestions was 04.09.2016. Comments/suggestions/objections received by the Commission have been duly analysed before considering them or rejecting the same.
- 2 The Commission also held a public hearing on 04.10.2016 to facilitate oral submission of the stakeholders and other interested persons. The comments/objections/suggestions of the stakeholders have also been considered. List of stakeholders who submitted comments on draft notification is enclosed at Annexure-I. List of participants who attended the hearing is also enclosed at Annexure-II.
- 3 The Statement of Objects and Reasons is being issued with the intent of explaining the rationale which went into finalisation of Open Access (First Amendment) Regulations, 2016. The comments/suggestions/objections received from the stakeholders and public and the views of the Commission on the same are discussed in subsequent paragraphs.
- 4 Suggestions and objections of stakeholders and the Commission’s views thereon:

#### **4.1 Sub-Regulation 2 of Regulation 3**

In the draft amendment Regulation, the Commission had proposed deletion of the definition of “Approved Capacity”.

Although no comments has been received on the draft amendment, the Commission opines that the term “approved capacity” has been used elsewhere in the Regulations, and for the sake of clarity, there is a necessity of keeping the definition. Hence, the proposed deletion is not accepted.

## **4.2 Sub-Regulation 18 of Regulation 3**

4.2.1 In the draft amendment, Regulation 18(A) and 18(B) of the Principal Regulation were proposed to be inserted, namely:-

*“18A Open access” means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation for drawing or selling power, as the case may, from or to any person other than distribution licensee of the area where such licensee or consumer or a person engaged in generation exists and includes long-term access, medium-term open access and short-term open access in accordance with these regulations.”*

*“18(B) “Schedule” means day ahead capacity in MW for each 15 minute time block in a day approved by SLDC for bilateral/collective open access transactions based on the schedule submitted by the open access customer for each time block of the day. However, in case of embedded open access consumer it shall mean sum total of the power (in MW) scheduled to be drawn from distribution licensee of the area where such consumer exists and/or from any other source under open access for each time block in a day for meeting its requirement.”*

### **Stakeholders Comments/Suggestions**

4.2.2 UPCL submitted that the definition of open access in draft notification is not as per the definition provided in Section 2(47) of the Electricity Act, 2003. UPCL also submitted that open access was a Statutory right granted by the Act and it does not appear appropriate to qualify the same by adding or extending its meaning. UPCL further submitted that the proposed definition mentions that open access includes long term, medium term and short term access and the word “includes” gives an impression that there is a possibility of some other type of open access other than long term, medium term and short term access. The definition of open access specified by the Commission has to be in accordance with the Electricity Act so that, even if, by assuming that there is a possibility of any other type of open access other than those provided in the Regulations, than the same cannot be set to be in accordance with the Regulations, hence, providing for such type of definition of open access could be futile.

## Commission's View

4.2.3 The Commission is of the view that since no problem whatsoever have been encountered in the application or interpretation of the term open access and the definition already exists in the Electricity Act, 2003, therefore, there is no need for inserting a new definition in the Regulations.

Furthermore, no comments has been received on the draft amendment on insertion of the definition of "Schedule", the Commission opines that the term "Schedule" has been defined in the IEGC Regulations, and moreover, no problem whatsoever have been encountered in the application or interpretation of the term "Schedule", hence, to avoid any ambiguity, there is no need for inserting a new definition in the Regulations.

### **4.3 Regulation 19, i.e. Adjustment of Energy.**

4.3.1 In the draft amendment, Regulation 19 of the Principal Regulations was proposed to be substituted, namely:-

*"19. Adjustment of Energy"*

- (1) *The priority of adjustment of energy drawal by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each time block:*
  - (a) *Renewable power generation;*
  - (b) *CPP;*
  - (c) *Banked Energy to be settled in 15 min time block = Banked energy available at the end of previous month in kWh/(96 time blocks\* Actual no. of days in current month);*
  - (d) *Long Term Bilateral purchase;*
  - (e) *Medium Term Open Access;*
  - (f) *Short term inter-State open access including Power Exchange Transaction;*
  - (g) *Short term intra-State open access;*
  - (h) *Distribution Licensee.*
- (2) *In case of generators selling power to multiple persons/ consumers, the priority for adjustment of energy sale shall be as follows:*
  - (a) *Distribution Licensee;*
  - (b) *Captive use;*
  - (c) *Long term bilateral sale followed by medium term bilateral sale and further by short*

*term bilateral sale;*

*(d) Sale through power exchange.*

*Provided, the generator selling power to Distribution Licensee may make an application to the Distribution Licensee for change in priority of sale which shall be governed as per the existing agreement between the generator and the Distribution Licensee."*

### **Stakeholders Comments/Suggestions**

4.3.2 Sh. Vivek Jindal, President, KGCCI, submitted that there is no need to amend the existing Regulation 19 and the word "Approved" should be substituted by the word "Submitted" where occurred in this Regulation for specially embedded customers".

UPCL submitted that in the formula proposed in the draft sub-Regulation 1(c), time blocks and no. of days should be based on the schedule of banking and accordingly, the above formula may be specified as follows:-

*"Banked Energy to be settled in 15 min time block = Banked energy available at the end of previous month in kWh/ no. of time blocks in the current month during which banking has been scheduled".*

### **Commission's View**

4.3.3 The Commission is of the view that since no problems whatsoever have been encountered by any open access customers, SLDC, utilities in conducting the operations of open access based on the existing provisions, therefore, there is no need for amending the provision. The suggestion of Sh. Vivek Jindal is being considered and no amendment in the Principal Regulations has been made.

### **4.4 Regulation 20, i.e. "Transmission Charges & Wheeling Charges".**

4.4.1 In the draft Regulation in first proviso of sub-Regulation 1 of Regulation 20 the words "approved capacity" were proposed to be substituted by "Scheduled Capacity".

### **Stakeholders Comments/Suggestions**

4.4.2 PTCUL/SLDC requested that the words "approved capacity" be replaced by "contracted capacity/ scheduled load or actual power flow" whichever is higher so that the transmission licensee may not suffer from financial loss as well as for the ease of computation of transmission charges done by the transmission license payable by the generator.

UPCL submitted that the said substitution is also required at second proviso of sub- Regulation (2). UPCL also submitted that the consumers who would opt for open access over and above the contracted capacity, the method of charging wheeling charges needs to be specified. UPCL further submitted that the consumers who would opt for open access over and above the contracted capacity as per the suggested amendment should be treated differently for the calculations of demand charges and wheeling charges as per the proposed amendment in first proviso of Regulation 20(2) as under:-

*“Provided that only those embedded open access consumers who did not have sanction for open access over and above the contracted load shall pay wheeling charges as determined by the Commission.”*

### **Commission’s View**

4.4.3 The Commission has analysed the comments and based on the same the Commission retains the words “approved capacity” as given in the Principal Regulations as approved capacity is the capacity approved for open access customers. However, the contracted capacity as suggested by PTCUL may be in conflict as the embedded open access consumer in the proposed draft has been allowed open access beyond the contracted capacity with the discom. However, UPCL’s comment to differentiate the consumers who would opt for open access over and above the contracted capacity has been considered.

Wheeling charges are those charges which are paid to the distribution licensee for the use of distribution system and associated facilities by another person for the conveyance of electricity. In the principal Regulations embedded consumers have been given the benefit of availing open access till the contracted load by way of reduced wheeling charges as they are also paying demand charges to the discom equivalent to the contracted load. Hence, it has been ensured that the consumer is not burdened twice by double loading on this account. However, beyond the contracted load, no demand charges are being levied, although, a penalty for excess load violation is being levied. Hence, the benefit of lower wheeling charges beyond the contracted load will not be applicable to them.

In case of an embedded consumer having an approved capacity till its contracted load, the formula specified in first proviso to Regulation 20(2) would suffice, however, in case the approved capacity exceeds the contracted load of the consumer,

the Commission decides that Wheeling charges for excess load shall be in accordance with the following formula:

$$W.C. \text{ For excess load allowed} = (ARR-PPC-TC) / (PLSD \times 365) \text{ (Rs./MW/Day)}.$$

#### 4.5 Sub-Regulation 5 of Regulation 26, i.e. "Scheduling".

In the draft regulation, it was proposed that the long term consumers may be allowed to take power over and above the contracted load. The proviso proposed is reproduced hereunder:

*"Provided that open access may be allowed over and above the contracted load to a consumer who sources power both by captive generation and Discom to the extent of captive power supply subject to availability of transmission and/or distribution system as the case may be.*

*Provided further that long term open access may be allowed over and above the contracted load to the extent of sanctioned open access capacity.*

##### 4.5.1 Stakeholders Comments/Suggestions

Sh. R.S. Yadav, India Glycols Limited, proposed the following:

*"In the proposed amendment, UERC has allowed Open Access to embedded consumers over and above the contract load for Long Term Open Access only. We request your good self to allow the same for Medium Terms and Short Terms as well as being provided in other States subject to Electricity Supply Code and the Regulations of the Commission governing the standards".*

UPCL submitted that such consumers may be allowed Open Access over and above the contracted capacity to the extent of sanctioned Open Access capacity and this sanction should also be limited up to maximum of 20% of the contracted load, irrespective of actual captive generation, considering the metering limitations in the existing system as the Current Transformers placed have defined accuracy, precision and saturation limits and large variation from the contracted load may hamper the metering. Further the CT ratios cannot be increased considering the probability of captive over usages as the same may result in sub-standard metering at most of the time when load up to contracted capacity be used and accordingly this proviso may be kept as follows:-

*"Provided that open access may be allowed over and above the contracted load to a consumer who sources power both by captive generation and Discom to the extent of captive power supply subject to availability of transmission and / or distribution system including existing capacity of metering system as the case may be **and to the extent of sanctioned open access capacity limited upto 20% of the contracted Load**".*

#### 4.5.2 **Commission's View**

The suggestion of UPCL and also that proposed by M/s IGL are being considered keeping in mind the metering limitations in the existing system and the provision proposed in the draft Regulations shall be amended as under:

*“(5) The embedded open access consumer shall schedule for each time block in such a manner that the sum of its total schedule and drawal thereof from all sources including through open access and from Distribution Licensee does not exceed its contracted load with the Distribution Licensee.*

*Provided further that long term open access may be allowed over and above the contracted load to the extent of sanctioned open access capacity.*

*Provided also that short term and medium term open access may be allowed over and above the contracted load to the extent of sanctioned open access capacity subject to the condition that it does not require any change in the voltage system, metering system etc., at the interconnection point of the existing consumer and that the resultant power flow on account of such open access can be accommodated in the existing/expected transmission/distribution network in accordance with the provisions of Regulation 11(2)) above.”*

#### **4.6 Sub-regulation (6) of Regulation 26, “Scheduling”**

4.6.1 In the draft Regulation it was proposed that:

*“6.The embedded open access consumer shall be levied fixed charge based on the maximum demand recorded in the ABT meter as per tariff applicable from time to time.*

*Provided that if the open access is allowed over and above the contracted load in terms of proviso to sub-Regulation (5) above, the fixed charges shall be levied based on the total demand recorded in the ABT meter less open access demand scheduled in terms of proviso of sub Regulation (5) above.”*

#### 4.6.2 **Stakeholders Comments/Suggestions**

UPCL submitted that the proposed regulation would pose serious operational constraints as in the present system Meter records the Maximum Demand during the month but the provision call for the subtraction of Open Access demand in all the 96 slots respectively and that too for every day of the month. Since Meter itself cannot differentiate between the Open Access Energy and Licensee's Energy, hence, it would be very difficult to compute the billable Maximum Demand for each open access consumer and that too within the defined framework of timelines for preparing and releasing the bills. Keeping in view the practical difficulties in computation of the bill UPCL proposed the alternate mechanism as under:-

*“6. The embedded open access consumer shall be levied fixed charges/ demand charges based on the maximum demand recorded in the ABT meter as per tariff applicable from time to time.*

*Provided that if the sanction of open access is allowed over and above the contracted load in terms of proviso to sub Regulation - 5 above, the maximum demand for the purpose of charging of fixed charges/ demand charges shall be only in respect of energy supplied by distribution licensee. This maximum demand shall be computed as follows:-*

$$\frac{\text{Total maximum demand recorded} \times \text{Energy recorded as supplied by the distribution licensee}}{\text{Total energy recorded}}$$

*Provided further that the billable demand in such cases shall be computed by reducing the Open Access demand from the Maximum demand as computed above and consider the same as per the provisions of Tariff Order.*

**Note:** As per the proposed mechanism, demand charges shall be charged only on UPCL’s energy and the entire wheeling charges shall be payable on the open access energy as per main provision of Regulation – 20 (2). “

#### 4.6.3 Commission’s View

The Commission considers the practical difficulties in computation of the bill and accordingly the suggestion for alternate mechanism for billing is accepted. However, the Commission is of the view that being an embedded open access consumer, the consumer has to pay demand charges equivalent to the contracted load with the licensee in accordance with the provisions of the Tariff Order. Furthermore, the same is also adjusted for while calculating the wheeling charges for an embedded consumer. Hence, based on the responses of the stakeholders two scenarios emerge:

- (i) Either the differentiation between a open access customer with an embedded open access customer be done away with and the customer of the licensee availing open access be charged the wheeling charges equivalent to the wheeling charges paid by other open access customers and the maximum demand of the embedded open access customer be reduced by the open access demand as proposed by UPCL for calculating the billable demand; or
- (ii) The differentiation as existing continues with the embedded open access consumer paying the wheeling charges as discussed in Para 4.4.3 above. In such a scenario if an embedded open access consumer avails open access beyond the contracted capacity no demand violation charges would be applicable on it. This option seems workable as this is in practice since notification of the Regulations.



Accordingly, the final provision of the Amendment Regulations shall be, read as:

*“6. The embedded open access consumer shall be levied fixed charges/demand charges based on the maximum demand recorded in the ABT meter as per tariff applicable from time to time.*

*Provided that if the sanction of open access is allowed over and above the contracted load in terms of proviso to sub-regulation (5) above, the maximum demand for the purpose of charging of fixed charges/ demand charges shall be only in respect of energy supplied by the distribution licensee, i.e. only upto contracted capacity as per the provisions of the Tariff Order.*

*This maximum demand shall be computed as follows:*

$$\frac{\text{Total Maximum Demand Recorded X Energy Recorded as supplied by the distribution licensee}}{\text{Total Energy Recorded}}"$$

#### **4.7 Sub-regulation (7) of Regulation 26, i.e. “Scheduling”**

4.7.1 In the draft Regulation it was proposed that:

*“The open access customer and embedded open access consumer shall provide the injection/drawal Schedule, as applicable, every day to the SLDC and the Distribution Licensee before 10:00 AM of the day preceding the day of such drawal/injection”.*

#### **Stakeholders Comments/Suggestions**

4.7.2 Shri Vikas Jindal submitted that after sub-Regulation 2, the following sub- Regulations should be inserted, namely:-

*“Injection/Drawal submission time should be before 11.00 hrs.”*

#### **Commission’s View**

4.7.3 As per Regulation 5.5(4) of the State Grid Code, SLDC has to inform UPCL about its entitlement in Intra-State and Inter State generating Stations by 11:00 A.M. UPCL should also be informed by the said time the O.A. Schedule of the O.A. consumers. Therefore, similar to all generators (both intra-state and inter-state) open access consumers should also submit their schedule at least one hour in advance, i.e. by 10:00 A.M. to SLDC for ease in scheduling process.

Therefore, the comment is not being considered.

#### **4.8 Regulation 27, i.e. Metering.**

4.8.1 In the draft regulation the first proviso of sub-Regulation (2) was proposed to be deleted **and following** Sub-Regulation 2(A) was proposed to be inserted, namely:-

*“2(A) Open Access applicants shall in their application to the nodal agency, inter alia, mention the date, which should at least be one month after the date of application, by which the above*

*Main and Check meters are required to be installed at their premises and the nodal agency shall install these meters by that date."*

### **Stakeholders Comments/Suggestions**

4.8.2 PTCUL has submitted that since SLDC do not provide or install the meters, therefore, the Commission may like to modify the above mentioned clause to the extent as given below:

*"2(A) Open Access applicants shall in their application to the nodal agency, inter alia, mention the date, which should at least be one month after the date of application, by which the above Main and Check meters are required to be installed at their premises and the STU or distribution licensee, as the case may be, shall install these meters by that date on directions of the nodal agency."*

### **Commission's View**

The Commission agrees with the concern of the SLDC that it does not provide or install meters at the premises. Further, to ensure timely installation of meters by the distribution licensee and to avoid the disputes which arise over the cost of meter on account of Open Access consumers buying their own meters and getting the costs reimbursed by the licensee, the first provision of sub-Regulation (2) of Regulation 27 shall be read as:

*"Provided that the distribution licensee shall install these Meters within one month from the date on which complete open access application was submitted by the open access customer to the nodal agency with a copy to the distribution licensee."*

### **4.9 Regulation 30, i.e. Imbalance Charge.**

4.9.1 In the draft regulation, "imbalance charge" have been amended to be read as "deviation charges" and provisions in respect to under drawal and over drawal were proposed to be amended.

### **Stakeholders Comments/Suggestions**

4.9.2 Shri Vikas Jindal has submitted that Regulation 30 of the Principal Regulation the first sentence of sub-clause (ii) of clause (b) should be substituted, namely:-

*"In this Regulation the word "schedule approved by SLDC" should be substituted by the word "schedule submitted to SLDC" because majority of Open Access customers are embedded customers and used to bid on day to day basis for meeting their requirement for whole of the*

*day or part of the day, hence there should be no condition for approval from SLDC for their Bid on day to day basis.*

Shri Jindal further submitted that the first sentence of sub-clause (iii) of clause (b) should be substituted, namely:-

*In this Regulation the word "schedule approved by SLDC" should be substituted by the word "schedule submitted to SLDC" because majority of Open Access customers are embedded customers and used to bid on day to day basis for meeting their requirement for whole of the day or part of the day, hence there should be no condition for approval from SLDC for their Bid on day to day basis so far as the under drawl with respect to the schedule submitted to SLDC, under drawl may be due to local fault between supply point to the end point of customers hence local fault should be considered for adjusted/refunded for such quantum of proposed drawn energy under Open Access on the basis of average approved power purchase cost for relevant year tariff.*

UPCL submitted that any drawl by embedded open access consumer subject to maximum demand within contracted load is permissible drawl and may not be considered as over drawl. Accordingly, the given provision may be deleted.

### **Commission's View**

4.9.3 The Commission is of the view that the changes proposed in the draft amendment are not required. Since no problem whatsoever have been encountered by any open access customers, SLDC, utilities in conducting the operations of open access based on the existing provisions, therefore there is no need for amending the provisions. Only the term "imbalance charges" shall be substituted by "deviation charges".

### **4.10 Regulation 31, i.e. "Reactive Energy Charge".**

4.10.1 **The proviso to Regulation 31 was proposed to be substituted as follows:**

*"Provided further that after ABT mechanism is operational in the State the reactive energy charges shall be settled based on the State Reactive Energy Account prepared by SLDC in accordance with the State Grid Code and the orders of the Commission issued from time to time."*

### **Stakeholders Comments/Suggestions**

4.10.2 Sh. Vikas Jindal submitted that each levy of charges which are not fixed for whole of the year in the tariff of relevant year should be first published in the web site of the Commission before its implementation.

### **Commission's View**

4.10.3 The Commission is of the view that Regulatory framework for implementation of intra-state ABT is in the process of finalization. Once finalized, all the entities in the State including SLDC will be allowed some reasonable time to implement the ABT mechanism including settlement of Active and Reactive Energy charges amongst the entities in the State including Open Access customers.

## **5 Other Issues**

### **5.1 Cross Subsidy**

#### **Stakeholders Comments/Suggestions**

5.1.1 Shri Vikas Jindal President, KGCCI and BST Textile Mills Pvt. Ltd. submitted that Cross Subsidy surcharge should be reduced from the present rate for the Open Access purchased power.

#### **Commission's View**

5.1.2 The National Tariff Policy, 2016 provides as under:

*“Above formula may not work for all distribution licensees, particularly for those having power deficit, the State Regulatory Commissions, while keeping the overall objectives of the Electricity Act in view, may review and vary the same taking into consideration the different circumstances prevailing in the area of distribution licensee.”*

The cross subsidy surcharge is levied to compensate the distribution licensee for the loss it would incur if its customer seeks open access as it would lose on the amount of cross subsidy being levied from that customer. Accordingly, the State Commission has determined the cross subsidy surcharge for each year in the Tariff Order in accordance with the principles specified in UERC (Terms and Conditions of Intra-State Open Access) Regulations, 2015. Hence, the comment is not being considered.

### **5.2 Green Cess**

#### **Stakeholders Comments/Suggestions**

5.2.1 Shri Vikas Jindal, President, KGCCI and BST Textile Mills Pvt. Ltd. submitted that Green Cess & Electricity Duty should not be applicable on the power purchase from open access because all these customers are paying for the Solar & Non- Solar

Renewable Certificates and all other charges.

### **Commission's View**

5.2.2 Green Cess and electricity duty is being levied by the State Government of Uttarakhand and the Commission has no role in levying or removing the green cess or electricity duty. Therefore the comment is not being considered.

## **5.3 Renewable Purchase Obligation**

### **Stakeholders Comments/Suggestions**

5.3.1 Tata Motors submitted that RPO obligation for Solar RECs has increased by 15 times, from 0.1 % in FY 15-16 to 1.5% in FY16-17, which is not encouraging consumers to buy renewable energy certificates, as it has significant impact on Open Access Power Cost. "Therefore it requested to keep % of Solar RPO to 0.1 % only."

### **Commission's View**

5.3.2 The Commission has fixed the RPO trajectory in accordance with the National Tariff Policy as amended from time to time and also keeping in view the Ministry of Power, Government of India, targets of development of solar and non-solar RE power which has been set at 175 GW by 2022. Further, there have been certain Orders of Hon'ble Supreme Court and Hon'ble ATE wherein RPO has been made mandatory for all the obligated entities. Accordingly, this comment is also not being considered.

## **5.4 Ensuring continuous supply of Open Access Power Supply**

### **Stakeholders Comments/Suggestions**

5.4.1 Sh. Vikas Jindal President submitted that no power cut should be imposed by the Utility on Open Access consumers who are on independent feeders to the extent of power availed through Open Access. Based on the Commission's Order dated 18th August, 2011, UPCL is charging additional surcharge on account of continuous supply on the power received under open access if the consumer has opted for Continuous power supply from UPCL.

### **Commission's View**

5.4.2 The Commission has given its view on the cost of power already arranged for continuous supply consumers and such situation still prevails. Continuous supply and

power cut is an operational issue, so it may be considered by way of general or special Orders and can in no way be covered under the Regulations.

Therefore, the comment is not being considered.

## **5.5 Reduction in STU charges for open access availed for a period of more than 06 hours**

### **Stakeholders Comments/Suggestions**

Tata Motors submitted that currently STU charges for open access for a period of more than 6 hours are Rs. 146.51/MWh, i.e. just double as compared to open access utilization for less than 6 hours which is only Rs. 73.25/MWh, which does not encourage consumers to use Open access for more period of time. It proposed to maintain STU charges for more than 6 hours to 73.25/MWh.

### **Commission's View**

5.5.1 The transmission charges are recovered from open access customers for use of transmission network. It would not have been prudent to recover the full transmission charges from a customer who avails open access only for 3 or 4 hours in a day. Accordingly, the Commission in its Open Access Regulations specified that transmission charges for open access upto 6 hours a day shall be half of the transmission charges determined and for open access beyond 6 hours a day shall be full. Moreover, the Regulations were notified only last year and the Commission had then decided on the issue. These amendment proceedings are limited to issues raised in the draft Regulations.

## **5.6 Billing**

### **Stakeholders Comments/Suggestions**

5.6.1 Shri Vikas Jindal President, KGCCI and BST Textile Mills Pvt. Ltd. submitted that UPCL Monthly Bill should be the NET BILL after adjustment of the amount of Open Access power in the same month, however, this is done by UPCL manually against a computer generated Net Bill. On this issue the Commission had instructed UPCL in the Tariff Order for FY 2014-15 to frame a mechanism which should exclude the energy received by a consumer through Open Access, hence, in such a case UPCL must generate the NET Bill. This will also facilitate proper energy as well as revenue accounting of UPCL.

### **Commission's View**

5.6.2 Though this is an operational issue and cannot be dealt with in the Regulations, the Commission agrees with the suggestions of the stakeholders and directs UPCL to generate the net Bill to the consumer after adjusting for the units as well as the amount of power availed by the consumer through open access. Manual adjustments should be discouraged. UPCL is directed to devise a mechanism for generating net bill and submit the same before the Commission within one month.

## **5.7 NOC**

### **Stakeholders Comments/Suggestions**

5.7.1 Shri Vikas Jindal, President, KGCCI and BST Textile Mills Pvt. Ltd. submitted that it has been noticed that SLDC / UPCL grant the Monthly NOC at the last day of the month, hence, it proposed to stop this monthly NOC concept as the industries are already taking approval for the annual NOC.

### **Commission's View**

5.7.2 The comments of the stakeholders are valid only for short term/medium term open access. However, medium term or short term open access shall only be granted if the power flow on account of such open access transaction can be accommodated in the existing system. Accordingly, the requirement of monthly NOC has been specified as power flow on the network may vary month to month impacting the spare capacity available on the network. Therefore, the comment is not being considered.

## **5.8 Losses, Charging of Transmission Loss in place of Distribution loss on Open Access at High Voltage level (132 kV and above).**

### **Stakeholders Comments/Suggestions**

5.8.1 Shri R.S. Yadav, Tata Motors and Shri Vikas Jindal submitted that UERC should also make provision for charging of transmission losses (2%) on Open Access at High Voltage level (132 kV and above) as against the combined distribution losses (15%) being charged presently in case of Open Access at High Voltage level also. Further, Open Access consumer is also not being given high voltage rebate as being given on supply by Distribution Licensee (UPCL) on supply being made by UPCL. This is a discrimination against open access consumers.

A similar rebate or actual losses at high voltage level (2% or below) is therefore required to end the current discrimination against high voltage open access consumers." UERC should strengthen the existing provisions to ensure smooth and continuous power supply being received through Open Access at the periphery of the State.

### **Commission's View**

5.8.2 UPCL has been directed by the Commission in Para 8.1.12 of the Tariff Order 2016-17 on Voltage wise Cost of Supply as follows, *"The Commission directs the Petitioner to submit the action plan along with the timelines by which the Petitioner will be completing the work as per the action plan, within one month of issue of this Order."*

Any decision on determining the charges based on the basis of voltage wise cost of supply or losses may be taken up only after UPCL complies with the directives of the Commission in this regard and the same is approved by the Commission. Hence, till such time the losses as approved by the Commission in its Tariff Order for the relevant year shall be payable in kind by the open access customers.

## **5.9 Transmission Capacity Unutilized.**

### **Stakeholders Comments/Suggestions**

5.9.1 Gama Infraprop (P) Ltd. and PTCUL submitted that in the matter of grant of connectivity or open access there is no time duration mentioned in UERC Regulations, for the Generators or consumers. If connectivity and open access being granted and remain unutilized for certain period of time due to which other generators or consumers suffer there is revenue loss to STU/PTCUL if the line remains unutilized. Reference was also made to CERC Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters Regulations, 2009, wherein Regulation 15A, Para-2 specifies as under:

*"In the event of mutual termination of PPA or non utilization of long term access customer for a period exceeding one year from the scheduled date of commencement of long term access, the CTU or the Transmission licensee as the case may be, may ask such long term access customer to surrender the long term access after being satisfied that because of such long term access, any other generation project which has applied long term access is likely to get stranded.*

*Provided further that CTU or the Transmission licensee as the case may be, may approach the Commission for appropriate directions in this regard."*



Hence, they requested the Commission to incorporate the above in UERC Regulations in such a manner that any connectivity and open access being granted in past to any generator and remaining unutilized since several years can be allotted to other generators within no time considering the present status of applicant.

### **Commission's View**

5.9.2 The comment of connectivity lying unutilized leading to consequent revenue loss to STU/PTCUL does not hold ground, as the entire transmission charges of the STU are passed on to the beneficiary, which is UPCL, with due adjustment of the transmission charges received by it from the open access consumers. In case of CERC, if any, transmission line or capacity remains unutilised it would impact PGCIL as in its case, the beneficiaries pay only the charges equivalent to transmission capacities availed by them and any unutilised capacity would imply financial impact on PGCIL which is unlike the case with PTCUL. Moreover, Section 181(3) of the Act requires that any regulation made by the Commission under the Act shall be subject to the condition of previous publication and hence, these amendment proceedings are limited to the issues raised in the draft Regulations. Hence, the comments made by the stakeholders are not being considered.

## **5.10 Clarity on Regulation**

### **Stakeholders Comments/Suggestions**

5.10.1 PTCUL submitted that any applicant seeking Connectivity from the Transmission Licensee shall apply for Connectivity as per the process. Clarity in the Regulation is requested, as presently many Generators / Consumer of Distribution Licensee contend that they are either supplying power to Distribution Licensee or Consumer of Distribution Licensee, therefore, Connectivity is not required by them. At instance Generator's/Consumer also apply for Connectivity mentioning UERC (State Grid Code) Regulations, 2007 without taking the cognizance of UERC (Terms and Conditions for Intra-State Open Access) Regulations, 2015 and approved process, in spite of intimation of the procedure to them. Therefore, from the point of Transmission System Planning for Generators / Distribution Licensee's Consumer, Connectivity is required and critical.

PTCUL submitted in case applicant requires both Connectivity & Open-Access; they can apply for the same simultaneously to the Nodal Agency.

As per CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulation, 2009 is concerned, Regulation 3, "Scope" is reproduced as below:

*"These regulations, after they come into force, shall apply to the grant of connectivity, long-term access and medium-term access, in respect of inter-State transmission system.*

*Provided that a generating station, including captive generating plant or a bulk consumer, seeking connectivity to the inter-State transmission system cannot apply for long-term access or medium-term open access without applying for connectivity.*

*Provided further that a person may apply for connectivity and long-term access or medium-term open access simultaneously."*

### **Commission's View**

5.10.2 The Commission is of the view that in case of customer/entity undertaking open access as defined in the Regulations, the connectivity with Transmission and distribution system is governed by these Open Access Regulations whereas in all other cases of generators/utilities/consumers etc. seeking connectivity shall be governed by the State Grid Code. A clarification Order can be issued by the Commission separately after a Petition is filed by PTCUL in this regard.

## **5.11 Connectivity and Open Access**

### **Stakeholders Comments/Suggestions**

5.11.1 PTCUL/SLDC submitted to define the principle of first come first serve for Connectivity & Open Access.

### **Commission's View**

5.11.2 In this regard, the Commission is of the view that provisions made in the Regulations are appropriate and in line with the provisions made in the regulations of majority of other States. Further, in respect of the same, Chapter 2 specifies the detailed procedure for connectivity and Regulation 18 already specifies the allotment priority. Hence, the comment is not accepted.

## **5.12 System strengthening**

### **Stakeholders Comments/Suggestions**

5.12.1 PTCUL also requested to define the timeline in line with CERC Regulations for System Strengthening, if required, for Connectivity and/or Open-Access so that applicant

don't make it a practice of seeking System Strengthening at the earliest, without even considering the minimum time required to construct a Transmission System.

### **Commission's View**

5.12.2 In this regard, the Commission is of the view that provisions made in the Regulations are appropriate and in line with provisions made in the regulations of majority of other States. Further, in respect of the same, this issue has already been dealt in Regulation 11, Regulation 13, Regulation 14 and Regulation 15 of the Principal Regulations which specify the procedures for short term, medium term and long term open access.

### **5.13 Standby charges for drawal of power by open access customer from distribution licensee**

5.13.1 The second proviso of sub-Regulation (1) of Regulation 24 of the Principal Regulations specifies that:

*"Provided further that if a generator connected to the distribution system injecting power through open access requires startup power, the rate of such power shall be the same as that of infirm power provided in regulation 6(8) above of these Regulations."*

### **Stakeholders Comments/Suggestions**

5.13.2 UPCL submitted that Regulation 45(3) of the UERC (Tariff and Other Terms for Supply of Electricity from Non-conventional and Renewable Energy Sources) Regulations, 2013 also specify the rates of startup power by the generating station. This rate is the tariff determined by the Commission for temporary supply under appropriate rate schedule of Tariff for Industrial Consumers.

Accordingly, it is proposed that second proviso of sub-Regulation (1) may be kept at par with the Regulation 45(3) of the UERC (Tariff and Other Terms for Supply of Electricity from Non-conventional and Renewable Energy Sources) Regulations, 2013.

### **Commission's View**

5.13.3 The suggestion of UPCL is not being considered as already discussed above, these amendment proceedings are limited to the issues raised in the draft Regulations. Furthermore, no difficulty in such a case has arisen or brought to the notice of the Commission so far. The Commission may take a view on the issue in case any difficulty arises in enforcing the Regulation to this effect.

## 5.14 Reduction in Contract Demand to the extent of open access power supply

### Stakeholders Comments/Suggestions

5.14.1 Shri R.S. Yadav has suggested that UERC should also make provision in the regulation for Long Term, Medium Term & Short Term Open Access within the existing Sanctioned load/Contracted Load and reduce the Sanctioned load/Contracted Demand to the extent of quantum of electricity sought to be transferred through Open Access from Firm Source. By having this provision, there will be no hassle of reducing/increasing the load to the consumer/Distribution Licensee (UPCL) and changing of required infrastructure including CT. These kinds of provisions are already in existence in State of Maharashtra & Delhi.

### Commission's View

The Commission considers the suggestions received and has decided to provide Open Access consumers, its freedom to choose its contracted demand. Accordingly, in case of Long and Medium Term open access consumers, they can reduce their contracted demand in accordance with HT/EHT Regulations. However, Short Term Open Access consumers are allowed to reduce the contracted demand only at the time of making an application for short term open access subject to the condition that over all drawal by the embedded open access consumer during the open access period shall not be less than 80% of the overall drawal by such consumer during non open access periods for each day. The following sub-Regulation (2) shall be inserted in Regulation 28 which shall be read as Revision of Scheduled Energy and Contract Demand in the Amendment Regulation:

*“(2)The revision (reduction/enhancement) of contract demand of an embedded open access consumer availing long/medium/short open access shall be governed by the provisions of the UERC (Release of New HT/EHT Connections , Enhancement and Reduction of Loads) Regulations, 2008 and the orders issued under these regulations.*

*Provided that a consumer availing short term open access shall not be eligible to revise his contract demand with the distribution licensee during the tenure of the short term open access but may apply for revision of contract demand at the time of applying for open access in accordance with the regulations mentioned hereinabove.*

*Provided further that overall drawal by the embedded open access consumer during the open access period shall not be less than 80% of the overall drawal by such consumer during non open access periods for each day.”*

**List of Stakeholders**

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Organisation</b>	<b>Address</b>
1.	Sh. M.A. Khan	Director (F)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun.
2.	Sh. S.K. Sharma	Director (Projects)	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
3.	Sh. Vikas Jindal	President	M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand	Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udham Singh Nagar
4.	Sh. R.S. Yadav	Vice President (HR & Admin.)	M/s India Glycols Ltd.	Plot No. 2-B, Sector-126, Noida-201304, Distt. Gautam Budh Nagar, Uttar Pradesh
5.	Sh. R.K. Singh	Head (CPED & E)	M/s Tata Motors Ltd.	Plot No. 1, Sector 11, Integrated Industrial Estate, SIDCUL, Pantnagar-263153, Distt. Udham Singh Nagar
6.	-	-	M/s BST Textile Mills Pvt. Ltd.	Plot 9, Sector 9, IIE, SIDCUL, Pantnagar, Rudrapur-263153, Distt. Udham Singh Nagar
7.	Sh. Arpit Agarwal	Manager	M/s Gama Infraprop (P) Ltd.	M - 3, First Floor, Hauz Khas, Aurbindo Marg, New Delhi-110016

**List of Participants**

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Organisation</b>	<b>Address</b>
1.	Sh. M.A. Khan	Director (F)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun.
2.	Sh. A.K. Singh	Chief Engineer (P&C)	Uttarakhand Power Corporation Ltd.	Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun.
3.	Sh. Kamal Kant	Chief Engineer (C&R)	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
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5.	Sh. Saima Kamal	Executive Engineer	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
6.	Sh. Himanshu Baliyan	Executive Engineer	Power Transmission Corporation of Uttarakhand Ltd.	Vidyut Bhawan, Near I.S.B.T. Crossing, Saharanpur Road, Majra, Dehradun-248002
7.	Sh. Anupam Sharma	Superintending Engineer (SLDC)	Power Transmission Corporation of Uttarakhand Ltd.	SLDC, PTCUL 132 kV Sub-station, H/Q Bldg., Majra, Dehradun
8.	Sh. Amit Singh	Executive Engineer (SLDC)	Power Transmission Corporation of Uttarakhand Ltd.	SLDC, PTCUL 132 kV Sub-station, H/Q Bldg., Majra, Dehradun
9.	Sh. Nandan Pant	Dy. General Manager	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
10.	Sh. Rakesh Singh	Asstt. Engineer	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun -248006
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14.	Sh. Vikram Reddy	Managing Director	M/s Himalaya Hydro Pvt. Ltd.	Plot No. 46, AMR Bldg., Flat No. 202, Road No. 10-C,

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15.	Sh. Rupak Agarwal	Member, Advisory Board	M/s Himalaya Hydro Pvt. Ltd.	Plot No. 46, AMR Bldg., Flat No. 202, Road No. 10-C, MLA & MPs Colony, Jubilee Hills, Hyderabad-500033
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18.	Sh. C.M. Sharma	General Manager	M/s India Glycols Ltd.	A-1, Industrial Area, Bazpur Road, Kashipur- 244713, Distt. Udham Singh Nagar
19.	Sh. Sachin Sharma	Reg. Manager	M/s A.P. Power Corp.	-