

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 36 of 2021 & Petition No. 37 of 2021

In the Matter of:

Petition to the Commission for resolution of matter pertaining to Deviation Settlement Mechanism ("DSM") claim for 214 MW (225 MW ISO) for Phase I of 2x225 MW (450 MW ISO) Gas Based Combined Cycle Power Plant at Kashipur, Uttarakhand filed by M/s Sravanthi Energy Pvt. Ltd. under Section 86 of the Electricity Act, 2003 read with Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and the Regulations 13 & 16 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017. **(Petition No. 36 of 2021)**

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In the Matter of:

Petition for DSM claim by SLDC for 107 MW from 225 MW Gas Based Combined Cycle Power Plant, at Mahuakhedaganj, Kashipur, District- Udhamasinghnagar, Uttarakhand filed by M/s Gama Infraprop Pvt. Ltd. **(Petition No. 37 of 2021)**

And

In the Matter of:

M/s Sravanthi Energy Private Limited,
Registered Office: 7th Floor, Block-B, Building Number 9,
DLF Cyber City, DLF Phase III
Gurugram- 122002, Haryana, India

...Petitioner

&

In the Matter of:

M/s Gama Infraprop Pvt. Ltd.,
Registered Office: M-3 (First Floor),
Hauz Khas, Aurobindo Marg,
New Delhi- 110016,

...Petitioner

And

In the Matter of:

- (1) Managing Director,
Uttarakhand Power Corporation Ltd. (UPCL),
VCV Gabar Singh Urja Bhawan, Kanwali Road, Dehradun

- (2) Managing Director,
Power Trans. Corp. of Uttarakhand Ltd. (PTCUL),
Vidyut Bhawan, Majra, Dehradun
- (3) Chief Engineer,
State Load Dispatch Centre (SLDC),
Vidyut Bhawan, Majra, Dehradun

...Respondents

Coram

Shri D.P. Gairola Member (Law)

Shri M.K.Jain Member (Technical)

Date of Order: November 26, 2021

ORDER

This Order relates to: -

- (1) The Petition filed by M/s Sravanthi Energy Private Limited (hereinafter referred to as “M/s SEPL” or “the Petitioner”) seeking resolution of matter pertaining to Deviation Settlement Mechanism (“DSM”) claim for 214 MW (225 MW ISO) for Phase I of 2x225 MW (450 MW ISO) Gas Based Combined Cycle Power Plant at Kashipur, Uttarakhand filed by M/s Sravanthi Energy Pvt. Ltd. under Section 86 of the Electricity Act, 2003 read with Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and the Regulations 13 & 16 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017.
- (2) The Petition filed by M/s Gama Infraprop Pvt. Ltd. (hereinafter referred to as “M/s GIPL” or “the Petitioner”) for DSM claim by SLDC for 107 MW from 225 MW Gas Based Combined Cycle Power Plant, at Mahuakhedaganj, Kashipur, District- Udham Singh Nagar, Uttarakhand under Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and Regulations 13 & 16 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017.

Background

2. M/s SEPL vide its letter No. Nil dated 26.08.2021 submitted its Petition for resolution of matter pertaining to Deviation Settlement Mechanism (“DSM”) claim for 214 MW (225 MW ISO) for Phase I of 2x225 MW (450 MW ISO) Gas Based Combined Cycle Power Plant at Kashipur, Uttarakhand filed by Sravanthi Energy Pvt Ltd under Section 86 of the Electricity Act, 2003 read with Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and the Regulations 13 & 16 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017. And,
3. M/s GIPL vide its letter no. GIPL/UERC/036/2021 dated 22.09.2021 filed its Petition before the Commission for DSM claim by SLDC for 107 MW from 225 MW Gas Based Combined Cycle Power Plant, at Mahuakhedaganj, Kashipur, District-Udhamsinghnagar, Uttarakhand under Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business) Regulations, 2014 and Regulations 13 & 16 of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017.
4. The ‘Facts of the case’ has submitted by both the Petitioners are as follows:-

M/s SEPL

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- a. *Sravanthi Energy Private Limited (hereinafter referred to as “SEPL” or “Petitioner” or “Applicant”) is a Company incorporated under the Companies Act, 1956. SEPL is a “generating company” falling within the definition under sub section (28) of Section 2 of the Electricity Act, 2003 (hereinafter referred to as the “Act”) and has commissioned 214 MW (225MW ISO) as Phase 1 of combined cycle power plant on build, own and operate basis at Village Khaikhera, Kashipur in the Udham Singh Nagar district of Uttarakhand out of 428 MW (450 MW ISO). Each Phase of 214 MW consist of one module of two gas turbines and one steam turbine, each gas turbine of the capacity of 71.5 MW and steam turbine of the capacity of 71 MW in each phase.*
- b. *Phase -I (225MW ISO) of the Power Plant was commissioned on 20th November 2016.*
- c. *Uttarakhand Power Corporation Limited (“UPCL”) entered PPA with the Petitioner on long term basis for sale of 214 MW on 28th July 2016. In accordance with the provisions of the PPA, SEPL has been supplying power to UPCL post commissioning of Phase-1 of the Project.*

- d. UERC had notified the Regulations pertaining to DSM on 6th Feb 2017 (published in the official gazette on 18th Feb 2017) making the said Regulations effective from 1st April 2018.
- e. There was little progress made by the State Utilities/Constituents responsible for the implementation of DSM. Due to the delay, SLDC themselves requested the Hon'ble Commission for extension of timelines for introduction of the DSM on various grounds as outlined in UERC Order dated 23rd March 2018.
- f. Sravanthi Energy Pvt. Ltd. (SEPL) is regularly submitting day-ahead schedule as per the regulation and in consultation with UPCL/SLDC. SEPL started uploading day wise Declared capacity in the SLDC scheduling website from January 2020 as instructed by SLDC.
- g. PTCUL has replaced the existing "Check" meters for both SEPL – Kashipur line & SEPL–Mahuakeraganj lines with ABT compliant Special energy meters on 27th April 2019. After repeated persuasion with SLDC & PTCUL, PTCUL replaced old "Main Meters" with ABT compliant Special Energy meters for both SEPL - Kashipur line & SEPL-Mahuakeraganj lines on 17th July 2021. Further, as of now these meters are not time synchronized with SLDC.
- h. Data Acquisition System ("DAS") is yet to be installed at SEPL switchyard by PTCUL/ SLDC for transfer of energy meter data to SLDC. Monthly Meter Data provided to SEPL by UPCL is uploaded on UKSLDC website by SEPL within 1st week of month.
- i. SEPL was not informed about any Trial Runs and conduct of Monthly Review Meetings related to implementation of the DSM.
- j. On dated 4th June 2021, SEPL received email from State Load Dispatch Centre ("SLDC") in relation to the DSM settlement account invoices for the weeks 45 to 48 i.e. relevant to the month of February 2021.
- k. On dated 12th August 2021, SEPL received email from State Load Dispatch Centre ("SLDC") in relation to the DSM settlement account "revised" invoices for the weeks 45 to 48 for the month of February 2021.
- l. On 11th August 2021, SEPL received email from State Load Dispatch Centre ("SLDC") in relation to the DSM settlement account invoices for the (FY 2020-21) weeks 49 to 52 and (FY 2021- 22) Week 1, for the month of March 2021 and up to 4th April 2021."

M/s GIPL

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- a. The Gama Infraprop Pvt. Ltd. (hereinafter referred to as "**GIPL**" or "**Petitioner**" or "**Applicant**") is a Company incorporated under the Companies Act, 1956. Gama Infraprop Private Limited is a "generating company" falling within the definition under sub section (28) of Section 2 of the Electricity Act, 2003 (hereinafter referred to as the "**Act**") and has developed a 225 MW gas based combined cycle power plant on build own and operate basis at Mahuakheraganj, Kashipur in the Udhamasinghnagar district of Uttarakhand.

- b. *The Power Purchase Agreement dated 11th Feb 2016 between GIPL & UPCL was signed for 50% capacity i.e. 107 MW of power from 225 MW Gas Based Combined Cycle Power Plant, Kashipur.*
- c. *The Petitioner commissioned its project, first in 3 Gas Based Generators of Uttarakhand and declared COD on 16th March 2016 and the balance capacity of 107 MW in August 2016.*
- d. *UERC released the DSM Regulations on 6th Feb 2017 and the said Regulations were made effective from 1st April 2018.*
- e. *Hon'ble Commission extended the timelines for implementation of the DSM in UERC Order dated 23rd March 2018 as per the request of SLDC.*
- f. *Hon'ble Commission directed SLDC vide UERC Order dated 23rd March 2018 in clause 15(4)(d), to "inform the respective State Constituents about the results/outcome of the trial monthly deviation accounts, so that they would act upon to improve their forcecasting/declaration/scheduling process, wherever they find lapses"; however no trial monthly deviation accounts were received or informed.*
- g. *"Scheduled Energy" as per UERC MYT, 2018; Definition 65: "means the quantum of energy scheduled by the concerned Load Dispatch Centre to be injected into the grid by a generating station over a day".*
- h. *Energy Charges are being calculated and claimed from DISCOM with the formula (Energy Charge Rate x Net Export as per JMR).*
- i. *The Petitioner received a letter ref.no. 3421/UPCL/COM/, dated 23.10.2019 from UPCL regarding "Installation of Stand by Meters" for implementation of UERC (Deviation Settlement Mechanism) enclosed as Annexure-1.*
- j. *The Petitioner is regularly uploading day wise declared capacity in the SLDC scheduling portal as per instruction of SLDC.*
- k. *The Petitioner was not informed about any Trial Run related to DSM Mechanism; neither the Petitioner was informed about Monthly Review Meetings related to implementation of DSM.*
- l. *The Petitioner has received email from State Load Dispatch Centre ("SLDC") on 4th June 2021 in relation to the DSM settlement account invoices for the weeks 45 to 48 i.e. relevant to the month of February 2021 enclosed as Annexure-2.*
- m. *The Petitioner has received email from State Load Dispatch Centre ("SLDC") in relation to the DSM settlement account invoices for the (FY 2020-21) weeks 49 to 52 and (FY 2021- 22) Week 1, for the month of March 2021 and up to 4th April 2021 enclosed as Annexure-3.*
- n. *The Petitioner requested SLDC for the calculation sheet for the deviation charges on email dated 7th June 2021 enclosed as Annexure-4.*
- o. *The Petitioner again requested SLDC for the calculation sheet and other points for the deviation charges on email dated 8th June 2021 enclosed as Annexure-4.*
- p. *The Petitioner once again requested SLDC for the calculation sheet and other unanswered points for the deviation charges on email dated 23rd June 2021 enclosed as Annexure-4.*

- q. *The Petitioner requested SLDC to provide Energy Accounts as per PPA clause no.8.2 "Energy Accounting" on email dated 26th July 2021 enclosed as Annexure-5."*

5. The 'Relief Sought' has submitted by both the Petitioners are as follows: -

M/s SEPL

- "a. *Hon'ble Commission to instruct Respondent to set aside and withdraw the claims relating to the DSM, and*
- b. *Hon'ble Commission to instruct Respondent to restrain from raising any further claims till the process is institutionalized with Petitioner after following due process in accordance with the guidelines and directives of the Hon'ble Commission vide its order dated 23rd March 2018."*

M/s GIPL

- "
- a. *Admit the accompanying Petition;*
- b. *Issue the necessary directions that the DSM charges/claim should not be applicable on the Gas Based Power Plants in view of the variety of factors mentioned above;*
- c. *Issue the necessary directions to SLDC to withdraw the DSM charges/claim on the Petitioner for the month of February, March and further till the time of finalization of this Petition;*
- d. *Issue the necessary directions that no DSM charges to be levied at the time of plant start-up during back down instructions by UPCL/SLDC.*
- e. *Issue the necessary directions that no DSM charges to be levied at the time of plant start-up during trips/faults.*
- f. *Issue the necessary directions that DSM charges to be suspended during the outage of plant due to transmission line trips/faults/voltage dips causing outages of station units and subsequent startups till the time of normalization to the pre-trip level of generation of generating plant.*
- g. *Issue necessary directions to SLDC for issuance of Monthly Energy Account for the purpose of billing and payments from the date of issuance of Deviation Settlement Account.*
- h. *Issue necessary directions that in case of any DSM charges/claim if applicable for gas-based power plant, firstly the Energy Charges should be calculated and claimed at Scheduled Energy issued by SLDC.*
- i. *Issue necessary directions to UPCL to allow the revisions of past Energy Bills at Schedule Energy issued by SLDC, from the period Deviation Settlement Account has been issued.*
- j. *Issue necessary directions that in case of any DSM charges/claim if applicable for gas-based power plant, a relief of 2-3% should be allowed to counter the effect of load changes and environmental condition variation if plant is running as must dispatch with full load.*

- k. *Issue necessary directions that in case the DSM is applicable for the gas-based power plants, the same should be made effective only after proper implementation of the installation of requisite infrastructure at the plant site.*
 - l. *Allow additions/ alterations / changes/ modifications to the Petition at a future date;*
 - m. *pass such other order(s) as this Hon'ble commission may deem fit and proper in the facts and circumstances of the case;"*
6. Besides above, M/s SEPL under 'Section 2' of its Petition has raised issues of 'Marginal Progress by the Constituents in the implementation of supporting infrastructure for DSM', 'Ambient Temperature Effect on Generating Station ("SEPL")', 'UPCL/SLDC Instructions in relation to Plant Operations' and 'Major Gaps in the implementation Process'.
7. Further, M/s SEPL under 'Section 3' has raised issues pertaining to 'Implementation of DSM to be delayed till all the provisions as per UERC Order 23rd March 2018 are complied with', 'Relaxation to be provided on changes in generation due to change in ambient conditions', 'Relaxation to be provided for the deviation to Schedules during the period related to Starts and Stop and Trips' and 'Prevention of negative commercial implications due to wrongful calculations resulting due to non-capturing of the Declared capacity/Dispatch schedule in the Scheduling Portal'. Moreover, M/s SEPL under 'Section 4' has requested for providing necessary instructions that in case of any DSM charges/claim is applicable for gas-based power plant, a practical margin of 2-3% should be allowed to counter the effect of load changes and environmental condition variation if plant is running as must dispatch with full load. No DSM charges to be levied at the time of plant start-up/stop as per instructions from UPCL.
8. Besides above, M/s GIPL under the 'Grounds of relief' of the case has submitted that:-
- "
- a. *The start/stop instructions for the generating station is dependent on the demand requirements of UPCL. During start up operation it is always uncertain to achieve Dispatch Schedule due to the technical nature of the operation as the ramp up of machine depends on temperature of machine which is again dependent on duration of backdown by UPCL/SLDC. Hence relief in Regulations for Gas Based Generators shall be allowed during Startup in case of start up after backing down by UPCL/SLDC.*

- b. *During Start up operation after normal tripping within plant, again it is uncertain to achieve Dispatch Schedule due to the technical nature of the operation as ramp up of machine depends on temperature of machine, which is again dependent on duration of fault rectification after any particular trip. Hence relief in Regulations for Gas Based Generators shall be allowed during Startup period in case of plant faults/trips.*
- c. *In case of tripping due to transmission line fault/constraint causing dips of voltage due to transient fault current and / or failure of 220 KV supply to generating station which is beyond the control and operation area of generator as well as the restoration duration is also not being known to the petitioner. So the DSM may be suspended during the period till the generating units getting stabilized to the level prior to the trip because of the referred grid disturbances.*
- d. *Since the Gas Turbines are susceptible to Ambient Temperature and sometimes it becomes difficult to achieve the Dispatch Schedule due to sudden change in Ambient Temperature and there is no margin available for such Gas Based Generation in Declared Capacity, hence the relief in Regulations for Gas Based Generators within range of 2-3% in Declared Capacity shall be allowed without any commercial implications.*
- e. *Since Petitioner was not made aware of Trial Runs and Monthly Review Meetings to be conducted prior to the implementation of the DSM and suddenly the Deviation Accounts are raised to Petitioner after almost 4 months of operation for month of February and March 2021, hence claim/charges for the period should not be applicable on Gas Based Generators.*
- f. *The Scheduled Energy has to be issued by SLDC along with the claim/ charges of Deviation.*
- g. *The Petitioner would like to bring in front of Hon'ble Commission the weekly Deviation Account of M/s PPCL issued by Delhi SLDC for the month of July 2021 from week 14 to week 18 (enclosed as Annexure-7. And also Delhi SLDC has issued monthly Energy Account enclosed as Annexure-8, for the month of July 2021 on 4th August 2021 for the purpose of billing and payments by DISCOM's. The Petitioner in Annexure-9 has compiled the Scheduled Energy for PPCL as per the Energy Account and DSM Account issued by Delhi SLDC for the month of July 2021 which is available on website of SLDC, Delhi.*
- h. *The Monthly Energy Account issued by SLDC Delhi is only for the purpose of billing the Energy Charges at Scheduled Energy as per the relevant Regulations.*
- i. *In Petitioner's case the Energy Charge is calculated and claimed at Net Export as per JMR, however as per relevant Regulations and Tariff Orders by Hon'ble Commission on methodology of calculation of Energy Charges as explained above the Energy Charges are supposed to be calculated and claimed on Scheduled Energy approved by SLDC.*
- j. *The clause of Computation of Energy Charges in clause no. 49 (5) of UERC MYT Regulations 2018,*
- k. *"Energy Charge = (Energy charge rate in Rs./kWh) x {Scheduled energy (ex-bus) for the month in kWh}"*

- l. *The above methodology has to be adopted first to claim the Energy Charges at Scheduled Energy issued by SLDC for implementation of UERC DSM Regulations to settle the Deviation Charges.*
 - m. *The installation of Standby Meters are pending for implementation of DSM Regulations and Petitioner has not received any reply in the matter after communication by UPCL dated 23-10-2019."*
9. The Commission decided to make PTCUL as one of the Respondents in the matter and accordingly vide its letter dated 08.09.2021 issued a notice for hearing for admissibility in the matter to be held on **06.10.2021** to SLDC, PTCUL, SEPL & UPCL and directed to furnish their reply under affidavit before the Commission latest by **28.09.2021**.
 10. The Commission decided to make PTCUL as one of the respondents in the matter of Petition filed by M/s GIPL. Further, the Commission found the issues mentioned in the Petition of M/s GIPL and M/s SEPL as similar and accordingly decided to hear the matter of M/s GIPL along with the hearing of M/s SEPL. Therefore, the Commission decided to reschedule the date of hearing of M/s SEPL Petition to **12.10.2021** at 11:30 AM and accordingly, issued notices for hearing on admissibility to M/s SEPL, M/s GIPL, UPCL, PTCUL & SLDC vide its notices dated 29.09.2021.

Response of Respondents w.r.t. notice for Hearing

11. Incompliance of the Commission's notice for hearing on admissibility in the matter of Petition filed by M/s SEPL, SLDC vide its letter dated 28.09.2021 submitted that:-

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A. Reply on the issues raised by the Petitioner

1. ***Issue raised by Generator: Marginal Progress by the Constituents in the implementation of supporting infrastructure for DSM***

Reply:

Hon'ble Commission Vide Letter no. UERC/5/Tech./Pet. No. 07 of 2018/1037 dated 17.12.2020 directed SLDC to furnish the status of implementation of "Detailed procedure for submission/ revision of DC /requisition & approval of Drawal/dispatch schedule by SLDC on web-based scheduling portal (www.ukslc.com) and for meter data collection, conversion, assessment during the period of meter failure/ missing data, DSM calculations, billing, disbursement etc" approved by Hon'ble Commission along with the status of implementation of

Deviation Settlement Mechanism (DSM) in the State. Accordingly, SLDC vide Letter No. 26/SLDC/CE/MO-06/2020-21 dated 12.01.2021 submitted the same before Hon'ble Commission along with the constituent wise progress and status of various activities w.r.t. implementation of Deviation Settlement Mechanism (DSM) (Annexure-1). Therefore, the claim of Petitioner regarding "Marginal Progress by the Constituents in the implementation of supporting infrastructure for DSM" is faulty. Only few activities such as installation of meters at HV side of 100 MVA ICT at Khodri P/H by UJVN Ltd. (now replaced by UJVN Ltd. on 23.04.2021), timely submission of ABT meter data by UPCL/Open Access consumers, formation of validation committee etc. remained pending for some time. The issuance of DSM accounts for the month of February 2021 and March 2021 has prompted the collective response of various State Constituents towards implementation of Deviation Settlement Mechanism (DSM). Following facts in this regard are being put up before the Commission:

- i. UJVN Ltd. has installed meter on HV side of 100 MVA ICT at Khodri P/H on 23.04.2021.*
- ii. UJVN Ltd. and Open Access consumers have deposited the Deviation Charges payable in the State Deviation Pool Account for the month of February and March 2021.*
- iii. Delay observed in providing meter data of Open Access consumers by the OA consumers/UPCL is gradually decreasing.*

Note: *It is to submit before Hon'ble Commission that SLDC is facing difficulty in settlement of DSM charges due to non-payment of Deviation Charges by the Gas generators including the Petitioner.*

2. **Issue raised by Generator:** *Ambient Temperature Effect on generating Station ("SEPL).*

Reply:

The UERC (State Grid Code) Regulations, 2016 and UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 do not provide for relaxation with regard to the deviation arising out of the ambient conditions i.e. including temperature.

3. **Issue raised by Generator:** *UPCL/SLDC Instructions in relation to Plant Operations.*

Reply:

Regulations 7.5(20) of SGC 2016 states that:

"Revision of declared capability by the IaSGS having two-part tariff with capacity charge and energy charge and requisition by beneficiary (ies) for the remaining period of the day shall also be permitted with advance notice. Revised schedules/declared capability in such cases shall become effective from the 4th time block, counting the time block in which the request for revision has been received in the SLDC to be the first one same."

Accordingly, there is a provision/facility available on web-based scheduling portal for downward revision of requisition by Discom (UPCL) in case of back down

instructions. This has no impact on Declared Capacity of the generator if the plant is available. The petitioner has to adhere to the schedules issued by SLDC in order to avoid Deviation Charges.

4. **Issue raised by Generator:** ABT Main Meters and Data Acquisition System pending installation.

Reply:

- i. The DSM accounts for the month of Feb 21 and March 21 were prepared and issued after due validation by the DSM validation committee on the basis of check and main meters installed at SEPL on SEPL-Kashipur line and SEPL-Mahuakheraganj line as per following details:

S. No.	Meter No.	Make	Meter type	CT ratio	PT ratio	Current MF	Voltage MF	MF
1	15688310	L&T	Main	1250/1	220000/110	1250	6.67	8333.33
2	15688332	L&T	Main	1250/1	220000/110	1250	6.67	8333.33
3	Q0212200	Secure	Check	1250/1	220000/110	1250	2000	2500000
4	Q0212311	Secure	Check	1250/1	220000/110	1250	2000	2500000

No discrepancy has been found in the main and check meter data for the said months.

- ii. As provisioned at Clause 2.2 (1), in the “Detailed procedure for submission/revision of DC/requisitions & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.uksldc.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculations, billing, disbursement etc” approved by Hon’ble Commission, till the AMR system of State constituents/entities become operational, generators/Open Access consumers shall upload ‘raw’ meter data (in .CDF /.MDT format) directly to the web-portal. Accordingly, M/s SEPL is uploading the MRI data of both ABT Main and Check meters on the web-portal.
- iii. The generating plant has complete access to the despatch schedule on the web-portal in day-ahead as well in real-time and the actual real time generation data is also available with the generating plant through its own System. The generator therefore has real time access to relevant data for taking decision and corrective action in real time.

5. **Issue raised by Generator:** Trial Runs and Monthly Review Meetings to be conducted prior to implementation of the DSM.

Reply:

In due acknowledgement to the fact that the subject of Deviation Settlement Mechanism involves much intricacies, the SLDC adopted an inclusive approach ensuring active involvement of all the stakeholders/Constituents during the process of DSM software development and testing. In compliance to the directions given by the Hon’ble Commission, SLDC has conducted monthly review meetings with representatives of UPCL, UJVN Ltd. and PTCUL in order to discuss the necessary issues/pre-requisites for implementing the Deviation Settlement Mechanism as

also to gather the progress made by state constituents in the matter. SLDC has time to time forwarded the minutes of said review meetings to Hon'ble Commission along with list of participants/attendees.

Active Involvement of the petitioner namely M/s SEPL and other State Constituents during the development and testing phase of software:

- i. *The ABT scheduling and DSM accounting software that was being developed by M/s Secure Meters Ltd. remained under live testing since 05.07.2019. Various State Constituents including the petitioner were granted access to the scheduling portal during the live testing in order to submit the Declared Capacity/requisition/schedule and also to upload their meter data. This not only provided the first-hand experience to the users on scheduling, meter data uploading, checking of time-block wise trial DSM reports but also facilitated identification of issues/troubles reported/identified during the test-run of the software.*
- ii. *During the live testing and on the basis of schedules/meter data provided by the petitioner namely M/s SEPL and some other State constituents, the trial DSM accounts were generated for various months and the same remained accessible to all the entities including the petitioner namely M/s SEPL. Further, in compliance to Hon'ble Commission Letter No. UERC/5/Tech./Pet. No. 07 of 2018/1393 dated 30.12.2019 (Annexure-2), SLDC vide Letter No. 107/SLDC/ABT&DSM dated 01.02.2020 (Annexure-3) submitted the weekly DSM accounts of intra-State generators and Open Access consumers for the month of December, 2019 (w. e. f. 25.11.2019 to 05.01.2020) along with summary sheet and report on compliance status on part of State Constituents namely PTCUL, UPCL & UJVN Ltd.*
- iii. *The "Detailed procedure for submission/revision of DC/requisitions & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.uksldc.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculations, billing, disbursement etc." was approved by Hon'ble Commission vide letter No. UERC/5/Tech./Pet. No. 07 of 2018/533 dated 25.08.2020.*
- iv. *The above said approved procedure was uploaded on SLDC website i.e. www.uksldc.in for public viewing/downloading. The same was also uploaded on web-portal of scheduling i.e. www.uksldc.com for ready reference of the State Constituents/stakeholders.*
- v. *After deployment of RTM facility in the software, test run was started on 07.11.2020 and continued up to 31.01.2021. During the said period, the State Constituents including the petitioner namely M/s SEPL scheduled their power, uploaded their meter data etc. on web-portal of scheduling i.e. www.uksldc.com.*

vi. *As already replied at point No. 4(ii) and 4(iii) above, the petitioner namely M/s SEPL has complete access to the real time dispatch schedule on the web-portal in day-ahead as well in real-time and the actual real time generation data is also available with the generating plant through its own System. The generator therefore has real time access to relevant data for taking decision and corrective action in real time. Therefore, the claims of the petitioner do not hold any ground.*

6. **Issue raised by Generator:** *Negative Commercial Implications due to wrongful calculations resulting due to non-capturing of the Declared Capacity/Dispatch schedule in the Scheduling Portal.*

Reply:

i. Regulations 7.5(37) of SGC 2016 states that:

“The procedure for scheduling and the final schedules issued by SLDC shall be open to all constituents for any checking/verification, for a period of 5 days. In case any mistake/omission is detected, the SLDC shall forthwith make a complete check and rectify the same.”

ii. *The web-based scheduling is being carried out in line with “Detailed procedure for submission/revision of DC/requisitions & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.ukslcd.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculations, billing, disbursement etc.” approved by Hon’ble Commission.*

iii. *The web-based scheduling portal has the provision of post-facto correction/rectification of schedules by SLDC in case any mistake/omission is reported/detected. Accordingly, the revision in DSM accounts, if any, can be generated and shared with State constituents after validation by DSM validation committee.”*

B. **Reply on the relief sought by the Petitioner:**

In light of the above reply given at A (1 to 6), it is to submit that the relief sought by the petitioner lacks rationale, justification and reasoning. Further, it is to submit before Hon’ble Commission that SLDC is facing difficulty in settlement of DSM charges due to non-payment of DSM charges by the Gas generators including the Petitioner. Hon’ble Commission is humbly requested to direct the Gas generators including the Petitioner to pay the Deviation charges as per the statements of Deviation charge accounts being issued by SLDC without further delay in order to make the implementation of Deviation Settlement Mechanism (DSM) relevant and effective.”

12. Incompliance to the Commission’s notice for hearing in the matter of M/s GIPL, SLDC vide its letter dated 11.10.2021 submitted that:-

“
M/s Gama Infraprop Pvt. Ltd.,

Reply on the issues raised and relief sought by the Petitioner:

1. **Relief sought by Generator:** Issue the necessary directions that the DSM charges/claim should not be applicable on the Gas Based Power Plants in view of the variety of factors.

Reply:

The UERC (State Grid Code) Regulations, 2016 and UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 do not provide such relaxation.

2. **Relief sought by Generator:** Issue the necessary directions to SLDC that no DSM charges to be levied at the time of plant start-up during back down instruction by UPCL/SLDC.

Reply:

Regulations 7.5(20) of SGC 2016 states that:

“Revision of declared capability by the IaSGS having two-part tariff with capacity charge and energy charge and requisition by beneficiary (ies) for the remaining period of the day shall also be permitted with advance notice. Revised schedules/declared capability in such cases shall become effective from the 4th time block, counting the time block in which the request for revision has been received in the SLDC to be the first one same.”

Accordingly, there is a provision/facility available on web-based scheduling portal for downward revision of requisition by Discom (UPCL) in case of back down instructions. This has no impact on Declared Capacity of the generator if the plant is available. The petitioner has to adhere to the schedules issued by SLDC in order to avoid Deviation Charges.

3. **Relief sought by Generator:** Issue the necessary directions to SLDC that no DSM charges to be levied at the time of plant start-up during trips/faults.

Reply:

The UERC (State Grid Code) Regulations, 2016 and UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 do not provide for relaxation with regard to the deviation arising out at the time of plant start-up during trips/faults.

4. **Relief sought by Generator:** Issue the necessary directions to SLDC that DSM charges to be suspended during the outage of plant due to transmission line trips/faults/voltage dips causing outages of station units and subsequent startups till the time of normalization to the pre-trip level of generation of generating plant.

Reply:

The provision for revision of schedules in case of grid disturbance/system fluctuations/trips is already available in relevant regulations of UERC (State Grid Code) Regulations 2016.

5. **Relief sought by Generator:** Issue necessary directions to SLDC that for issuance of Monthly Energy Account for the purpose of billing and payments from the date of issuance of Deviation Settlement Account.

Reply:

The schedules are available on web-portal and accessible to the generators as well as Discom (UPCL). The issue of energy bill raised by the petitioner namely M/s GIPL does not pertain to SLDC.

6. **Relief sought by Generator:** Issue necessary directions to SLDC that in case of any DSM charges/claim if applicable for gas-based power plant, firstly the Energy Charges should be calculated and claimed at Scheduled Energy issued by SLDC.

Reply:

The above issue raised by the petitioner namely M/s GIPL does not pertain to SLDC.

7. **Relief sought by Generator:** Issue the necessary directions to UPCL to allow the revisions of past Energy Bills at Schedule Energy issued by SLDC, from the period Deviation Settlement Account has been issued.

Reply:

The above issue raised by the petitioner namely M/s GIPL does not pertain to SLDC.

8. **Relief sought by Generator:** Issue necessary directions that in case of any DSM charges/claim if applicable for gas-based power plant, relief of 2-3% should be allowed to counter the effect of load changes and environmental condition variation if plant is running as must dispatch with full load.

Reply:

The UERC (State Grid Code) Regulations, 2016 and UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 do not provide for relaxation with regard to the deviation arising due to the effect of load changes and environmental condition.

9. **Relief sought by Generator:** Issue necessary directions that in case DSM is applicable for the gas-based power plants, the same should be made effective only after proper implementation of the installation of requisite infrastructure at the plant site. Installation of Standby meters at premises of M/s GIPL.

Reply:

The DSM accounts for the month of Feb 21 and March 21 were prepared and issued after due validation by the DSM validation committee on the basis of check and main meters installed at GIPL on GIPL-Mahuakheraganj line as per following details:

S. No.	Meter No.	Make	Meter type	Meter CT ratio	Meter PT ratio	Yard CT ratio	Yard PT ratio	Energy MF
1	11070767	L&T	Main	800/1	220000/110	800/1	220000/110	1
2	11070770	L&T	Check	800/1	220000/110	800/1	220000/110	1

No discrepancy has been found in the main and check meter data for the said months.

- i. As provisioned at Clause 2.2 (1), in the “Detailed procedure for submission/revision of DC/requisitions & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.uksldc.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculations, billing, disbursement etc” approved by Hon’ble Commission, till the AMR system of State constituents/entities become operational, generators/Open Access consumers shall upload ‘raw’ meter data (in .CDF / .MDT format) directly to the web-portal. Accordingly, M/s GIPL is uploading the MRI data of both ABT Main and Check meters on the web-portal.
- ii. The generating plant has complete access to the despatch schedule on the web-portal in day-ahead as well in real-time and the actual real time generation data is also available with the generating plant through its own System. The generator therefore has real time access to relevant data for taking decision and corrective action in real time.

10. **Issue raised by Generator:** Trial Runs and Monthly Review Meetings to be conducted prior to implementation of the DSM.

Reply:

In due acknowledgement to the fact that the subject of Deviation Settlement Mechanism involves much intricacies, the SLDC adopted an inclusive approach ensuring active involvement of all the stakeholders/Constituents during the process of DSM software development and testing. In compliance to the directions given by the Hon’ble Commission, SLDC has conducted monthly review meetings with representatives of UPCL, UJVN Ltd. and PTCUL in order to discuss the necessary issues/pre-requisites for implementing the Deviation Settlement Mechanism as also to gather the progress made by state constituents in the matter. SLDC has time to time forwarded the minutes of said review meetings to Hon’ble Commission along with list of participants/attendees.

Active Involvement of the petitioner namely M/s GIPL and other State Constituents during the development and testing phase of software:

- i. The ABT scheduling and DSM accounting software that was being developed by M/s Secure Meters Ltd. remained under live testing since 05.07.2019. Various State Constituents including the petitioner were granted access to the scheduling portal during the live testing in order to submit the Declared Capacity/requisition/schedule and also to upload their meter data. This not only provided the first-hand experience to the users on scheduling, meter data uploading, checking of time-block wise trial DSM reports but also facilitated identification of issues/troubles reported/identified during the test-run of the software.

- ii. *During the live testing and on the basis of schedules/meter data provided by the petitioner namely M/s GIPL and some other State constituents, the trial DSM accounts were generated for various months and the same remained accessible to all the entities including the petitioner namely M/s GIPL. Further, in compliance to Hon'ble Commission Letter No. UERC/5/Tech./Pet. No. 07 of 2018/1393 dated 30.12.2019 (Annexure-1), SLDC vide Letter No. 107/SLDC/ABT&DSM dated 01.02.2020 (Annexure-2) submitted the weekly DSM accounts of intra-State generators and Open Access consumers for the month of December, 2019 (w. e. f. 25.11.2019 to 05.01.2020) along with summary sheet and report on compliance status on part of State Constituents namely PTCUL, UPCL & UJVN Ltd.*
- iii. *The "Detailed procedure for submission/revision of DC/requisitions & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.uksldc.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculations, billing, disbursement etc." was approved by Hon'ble Commission vide letter No. UERC/5/Tech./Pet. No. 07 of 2018/533 dated 25.08.2020.*
- iv. *The above said approved procedure was uploaded on SLDC website i.e. www.uksldc.in for public viewing/downloading. The same was also uploaded on web-portal of scheduling i.e. www.uksldc.com for ready reference of the State Constituents/stakeholders.*
- v. *After deployment of RTM facility in the software, test run was started on 07.11.2020 and continued up to 31.01.2021. During the said period, the State Constituents including the petitioner namely M/s GIPL scheduled their power, uploaded their meter data etc. on web-portal of scheduling i.e. www.uksldc.com.*
- vi. *As already replied at point No. 8(ii) and 8(iii) above, the petitioner namely M/s GIPL has complete access to the real time dispatch schedule on the web-portal in day-ahead as well in real-time and the actual real time generation data is also available with the generating plant through its own System. The generator therefore has real time access to relevant data for taking decision and corrective action in real time. Therefore, the claims of the petitioner do not hold any ground.*

Note: *It is to submit before Hon'ble Commission that SLDC is facing difficulty in settlement of DSM charges due to non-payment of Deviation Charges by the Gas generators including the Petitioner.*

In light of the above reply given at 1 to 10, it is to submit that the relief sought by the petitioner lacks rationale, justification and reasoning. Further, it is to submit before Hon'ble Commission that SLDC is facing difficulty in settlement of DSM charges due to non-payment of DSM charges by the Gas generators including the Petitioner. Hon'ble Commission is humbly requested to direct the Gas generators including the

Petitioner to pay the Deviation charges as per the statements of Deviation charge accounts being issued by SLDC without further delay in order to make the implementation of Deviation Settlement Mechanism (DSM) relevant and effective."

13. Incompliance of Commission's notice for hearing in the matter of M/s SEPL, UPCL vide its letter dated 11.10.2021 submitted that:-

M/s Sravanthi Energy Pvt. Ltd.

"

1. *That no relief against the answering respondent has been sought which shows that answering respondent is a proforma party however as the Hon'ble Commission has directed to make comments on the admissibility of the petition, the following is being submitted for the kind consideration of the Hon'ble Commission:*
2. *That the petitioner has wrongly stated in para 2 of the petition, to have filed the petition as per UERC order dated 06-02-2017 and has hence claimed the petition to be within limitation. It is humbly submitted that no petition can be filed as per the said order as it does not provide for filing any petition for the same.*
3. *The petitioner has no inherent right to receive trial month deviation account or to be informed about the same as per the order of the Hon'ble Commission even otherwise this does not give any right to the petitioner to file the present petition, moreover the relief claimed in the petition does not flow from the said ground nor does this justify filing the petition for the reliefs claimed in the petition.*
4. *The reliefs claimed cannot be granted under the provisions of the regulations invoked. The petitioner has infact sought certain directions which cannot be granted under the said provisions of the regulations, as being dehors the very provisions of the Regulations itself.*
5. *That the reliefs claimed amounts to derogating against the provisions of the regulations and hence neither can be granted nor petition is admissible on such grounds for such reliefs. The petitioner is liable to make payment of the DSM bills raised by SLDC as per the Regulations.*
6. *The grounds for claiming relief are totally in derogation of the principles for introducing the DSM mechanism, the regulations does not provide for any such exceptions; hence also the petition is not maintainable.*
7. *The petition is totally based upon false and frivolous grounds and being not in accordance with law is not liable to be admitted.*
8. *That primarily the contentions in the petition and reliefs claimed pertains to SLDC and therefore does not require any comments from the answering respondent.*
9. *The answering respondent has filed the aforesaid comments on admissibility and requests the Hon'ble commission to permit the answering respondent to file reply on merit if the petition is admitted upon hearing."*

14. Incompliance of Commission's notice for hearing in the matter of M/s GIPL, UPCL vide its letter dated 11.10.2021 submitted that:-

M/s Gama Infraprop Pvt. Ltd.,

“

1. *That only relief 8(i) in the petition has been sought against the answering respondent. The said relief is totally frivolous and has been based upon misunderstanding of the calculation of energy charges, the same has been elaborated in para 4 below hence there is no merit in the petition against the answering respondent.*
 2. *That the petitioner has wrongly stated in para 2 of the petition, to have filed the petition as per UERC order dated 6-02-2017 and has hence claimed the petition to be within limitation. It is humbly submitted that no petition can be filed as per the said order as it does not provide for filing any petition for the same.*
 3. *The petitioner has no inherent right to receive trial month deviation account or to be informed about the same as per the order of the Hon'ble Commission even otherwise this does not give any right to the petitioner to file the present petition, moreover the relief claimed in the petition does not flow from the said ground nor does this justify filing the petition for the reliefs claimed in the petition.*
 4. *The definition of scheduled energy is being misinterpreted and wrongly understood by the petitioner, it is pertinent to mention here that the full recovery of the energy charges is being made, the derivation of the ECR on either Scheduled Energy or Actual Energy will have no implication in deriving the cost as whatever Energy is taken into consideration for deriving the ECR will give the same resultant value viz equal to the cost of fuel, moreover present cause is totally unrelated to the provisions of the regulation under which the present petition has been filed.*
 5. *The reliefs claimed cannot be granted under the provisions of the regulations invoked. The petitioner has in fact sought certain directions which cannot be granted under the said provisions of the regulations, as being dehors the very provisions of the Regulations itself.*
 6. *That the reliefs claimed amounts to amending the regulations and hence neither can be granted nor petition is admissible on such grounds for such reliefs.*
 7. *The grounds for claiming relief are totally in derogation of the principles for introducing the DSM mechanism, the regulations does not provide for any such exceptions; hence also the petition is not maintainable.*
 8. *The petition is totally based upon false and frivolous grounds and being not in accordance with law is not liable to be admitted.*
 9. *That primarily the contentions in the petition and reliefs claimed pertains to SLDC and therefore does not require any comments from the answering respondent.*
 10. *The answering respondent has filed the aforesaid comments on admissibility and requests the Hon'ble commission to permit the answering respondent to file reply on merit if the petition is admitted upon hearing.”*
15. Hearing on admissibility of the Petitions filed by M/s SEPL and M/s GIPL was held on the scheduled date & time. During the hearing, the Commission heard the

Petitioners and Respondents in the matter for admissibility as well as on merits. Accordingly, the Commission decided to club the Petitions and admit the same.

16. During the hearing representatives of Petitioners from M/s GIPL and M/s SEPL reiterated their submissions in the Petition.
17. During the hearing representative of PTCUL submitted that their submissions in the matters are similar to that of SLDC and requested the Commission for consideration of the same.
18. During the hearing representative of SLDC reiterated their submissions in their reply dated 28.09.2021 and 11.10.2021 in the matter of M/s SEPL and M/s GIPL respectively and requested the Commission for issuance of strict directions for early deposition of dues in DSM accounts by the Petitioners.
19. During the hearing representative of UPCL requested the Commission not to admit the Petitions of M/s SEPL and M/s GIPL and pass strict orders imposing interest on delay in payment of dues in the DSM accounts by the Petitioners.
20. Post hearing, the Commission decided to club the matter of Petitions filed by M/s SEPL and M/s GIPL and decided to admit the same. Accordingly, daily Order in the matter was issued to all the Petitioners and Respondents in the matter vide Commission's letters dated 12.10.2021.
21. Further, M/s SEPL vide its e-mail dated 25.10.2021 submitted its following 'follow through comments' relating to Hearing held on **12.10.2021**:

“

...SEPL had highlighted the factors that should have been given due attention to align the stakeholders towards the implementation of the new system aiming at grid discipline. In this regard, we would also like to draw the attention of the Hon'ble Commission one more time to its own order dated 23rd March 2018 and ensure that SLDC plays the role of eh knowledge partner in the entire implementation process with the respective stakeholders.

1. Installation of ABT Compliant Special Energy Meters

The Hon'ble Commission in their order dated 23rd March 2018 (Point No. 6) had provided that SLDC had duly acknowledged the following in their petition while requesting for the extension of the DSM from 01.04.2018 to 01.04.2019.

["6.

- i) *For implementation of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 notified on 06.02.2017, the following*

activities are necessarily to be completed by the various constituent before enforcement of the commercial mechanism in accordance with the Regulations:-

- ***Installation of ABT compliant special energy meters at the interface points.***
- *Establishment of on-line Data Acquisition System with necessary hardware & network management software for acquiring meter data from various points.*
- *Establishment of centralized data centre at SLDC/PTCUL.*
- *Development of application software for implementing Energy accounting, Scheduling, Deviation Settlement Mechanism etc.]*

While granting relief to SLDC (“Nodal Authority”) for implementation of DSM, the Hon’ble Commission in its Order dated 23rd March 2018, made the following observations:

[“12.

- (1) *“Being a Nodal Agency for implementation of Intra-State ABT and DSM, the Petitioner was required to prepare a **customized software application for web-based scheduling**, State energy account, Deviation Settlement Account & Reactive Account platform latest by 15.10.2017. However, as per the Petitioner ‘s submission in the Petition, the development and implementation of aforesaid software solution shall be completed in another 8 months.*
- (2) *Therefore, from the above, it can be realized that the Petitioner is itself not in a position to comply with the provisions of the UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 from 01.04.2018 onwards w.r.t. implementation of Intra-State ABT and DSM.”]*

*As evident from the above, both the Hon’ble commission and SLDC acting as the Nodal Agency were aware of the technicalities and dependence on “**Installation of ABT compliant special energy meters at the interface points**” and “**Establishment of on-line Data Acquisition System with necessary hardware & network management software for acquiring meter data from various points.**”*

*In this regard, we would like to humbly submit that PTCUL replaced the existing “**Main**” meters for both SEPL-Kashipur line & SEPL- Mahuakheraganj lines with ABT compliant Special energy meters on 17th July 2021. Placing the reliance on the ABT meters for the purpose of DSM, we were surprised with the representations made by PTCUL regarding the veracity of the claims for the months of Feb, March and April 2021 when the ABT meters were installed only in July 2021.*

2. Installation of Data Acquisition System (“DAS”)

Further to the aforesaid contention, we would like to further submit that along with the ABT Meters, one of the critical components was the installation of the DAS at the interface point such that real time data could be captured by PTCUL and the same could also be viewed by the generator for making any rectifications that may be needed.

However, during the hearing scheduled on 12 Oct 2021, PTCUL had conveniently provided their contention that there was no need for DAS and that the component had not been established and installed in any of the Projects. This acknowledgement of the fact was completely opposite to their own representation and commitment made by PTCUL earlier to the Hon'ble Commission at the time of making the request for extension of date for DSM from 01.04.2018 to 01.04.2019.

*For sake of deliberation, even if we consider that DSM could be managed without DAS, it is the primary responsibility of PTCUL being the Nodal Agency to direct UPCL and SEPL to “**time synchronize**” the meters such that the input data for the purpose of calculation of DSM reflects accurate frequency that may be considered by PTCUL for the purpose of said calculation. While there was no communication from PTCUL regarding any timelines for implementation of DAS or decision regarding non-implementation of the same, there was no communication either on the process for time synchronization to be done for the ABT meters. It is prudent to highlight that the Main Meters (ABT Meters) are installed by UPCL and SEPL does not have any rights whatsoever to tamper with it for any reason whatsoever. Given the lack of communication, we were still awaiting the installation of DAS without being aware that the acknowledgement of its significance was completely discounted by PTCUL unilaterally without any compensatory steps.*

3. Adherence to the Implementation Process

*While the Trial Run was conducted for the upload of the Declared Capacity, the data for the generation was being fed manually by SLDC on a post facto basis. As per UERC Order dated 23rd March 2018, **SLDC was directed to follow the process provided below prior to the implementation of the DSM which could have commercial implications:***

15.[4] *“SLDC is directed to...*

- (a) Complete the procurement & trial run of System & Software by 31.07.2018.*
- (b) Instruct the State Constituents for furnishing required monthly data of all the interface meters.*
- (c) Prepare monthly deviation accounts based on the information/data received from the State constituents from 01.10.2018 onwards on manual basis till it starts receiving data from the proposed Data Centre of PTCUL. Further 2 months time i.e. from 01.10.2018 to 30.11.2018 shall be the allowed to complete all kinds of trial runs related to the Software & System without any commercial implications on the State Constituents. Thereafter, from*

0.1.12.20.1.8 onwards commercial implications on the State Constituents. Thereafter, from 01.12.2018 onwards commercial implication shall be applicable on the respective State Constituents based on the monthly deviation accounts.

- (d) Inform the respective State Constituents about the results/outcome of the trial monthly deviation accounts, so that they would act upon to improve their forecasting/declaration/scheduling process, wherever they find lapses.
- (e) Hold review meeting on monthly basis and furnish monthly progress reports of PTCUL, UJVN Ltd., UPCL and Other Stakeholders on completion of balance works/activities required for successful implementation of Intra-State ABT & DSM w.r.t. the direction issued in this Order and shall submit a monthly report before the Commission latest by 15th day of next month on regular basis.

SEPL started submitting day-ahead schedule as per the regulation and in consultation with UPCL/SLDC. As part of the process, SEPL duly forwards the Day-ahead Schedule by mail to UPCL & SLDC before 1000 hrs. Alongside, SEPL also started uploading day wise Declared capacity in the SLDC scheduling website from January 2020 as instructed by SLDC.

As regards the defined process, it is pertinent to highlight that:

- No real time data upload was possible due to lack of infrastructure.
- Even for the data upload for generation that was shared at the end of the month, the same uploads were done by SLDC on manual basis. So, there is no possibility of any corrective action that can be taken.
- No trial runs or intimation thereof were provided besides upload of DC.
- No communication on monthly meetings to discuss discrepancies and reasons thereof were notified.
- No communication on corrections to be made, etc were undertaken to make the process of DSM meaningful.

Given that PTCUL was supposed to be the "knowledge partner" in the process of implementation, it is unfortunate that being the nodal agency, none of the steps that were recommended by the Hon'ble Commission were followed in action or spirit. If this would have been done, the ambiguities in relation to data capture and corrections being made in the claim statement by PTCUL themselves would not arise.

4. Our Request

Given that the process was implemented without giving adequate care to the infrastructure that is a pre-requisite, we reiterate that the claims made by PTCUL towards the DSM is untenable.

Also, the process that is expected from the Nodal Agency and therefore requisitioned by the Hon'ble Commission for sake of clarity and in the interest of all stakeholders was heavily discounted by PTCUL.

Considering the above, we again request the following:

- 1. Provide necessary directions to keep a side and withdraw the charges raised on SEPL by SLDC in relation to the DSM.*
- 2. Provide necessary instructions to SLDC and other constituents, if needed, that in order to make the DSM effective for the gas-based power plants, proper implementation of the guidelines/ directions provided to the constituents by the Hon'ble Commission including installation of requisite infrastructure and training at the plant site should be completed."*

Commission's Observations, Views & Directions: -

22. On examination of the Petition, submission of the Petitioner & Respondents in the matter during the hearing and subsequent written submissions, the Commission has observed that the contentions raised by the Petitioners namely M/s SEPL & M/s GIPL are common in nature except issues pertaining to 'marginal progress by the constituents in implementation of supporting infrastructure for DSM' by M/s SEPL and issues of 'tripping due to transmission line fault' and 'monthly energy charge rate calculation' raised by M/s GIPL. The issue-wise observations and views of the Commission are as follows:-

Common Issues of the Petitioners

- (1) With regard to the effect of variation in ambient temperature on the generation of the gas based generating stations, it is known that basically the impact of ambient temperature is linked to recovery of Annual Fixed Charges (AFC) and Energy Charges (EC) i.e. fuel charges for a gas based generators.

In this regard, the Commission has observed that with regard to AFC, consideration of ambient conditions have been sufficiently and adequately dealt by the Commission while delving the issue of installed capacity of gas based generators wherein Phase-1 of combined cycle power plant of 225 MW capacity at ISO conditions has been derated and considered as 214 MW capacity for the purpose of calculation of Plant Availability Factor (PAF) and subsequently for the calculation of Annual Fixed Charges (AFC) of the gas based power plants namely M/s SEPL & M/s GIPL which are installed at Kashipur having same ambient conditions.

With regard to, the impact of ambient conditions on the EC, the Commission in its Order dated 05.04.2019 in the matter of *suo-moto* proceeding pertaining to finalization of Station Heat Rate of gas based combined cycle power plant had considered a Gross station Heat Rate (GHR) of 2007.4 kCal/kWh. The Commission in its aforesaid Order had stated that:-

“

2.43 *The Consultant stated that weighted average actual SHR for CCPP of M/s SEPL is around 2005 kCal/kWh since COD and the same works out to about 1989.17 kCal/kWh, after discarding the initial stabilization period of 5 months. The Consultant, accordingly, based on various factors submitted the detailed calculation of sustainable Station Heat Rate as summarized in the table given below:*

Table 4: Sustainable Station Heat Rate

No.	Description	Values	Remarks
1	Station Heat rate (LHV)- ISO, kCal/kWh	1675	@ 15°C & 60% RH
2	Temp Correction factor	1.0164	15°C to 23°C
3	RH Correction factor	1.0015	60% RH to 75% RH
4	LHV to HHV Conversion factor	1.1087	10.87 %
5	Design Station Heat Rate, kCal/kWh	1890.3598	Sl. No (1 x 2 x 3 x 4)
6	Temp Correction factor	1.0016	23°C to 25°C
7	GT Degradation factor	1.011	@ 14000 Fired hours
8	Corrected Design Station Heat rate, kCal/kWh	1911.809	Sl. No. (5 x 6) + Sl.No.1x 0.011
9	Correction factor as per MYT Regulation	1.05	
10	Corrected Gross Station Heat rate in kCal/kWh considering MYT Regulation factor of 1.05	2007.4	Sl. No. (8 x 9)

”

In the aforesaid Table, the Commission had considered the ambient condition factors namely temperature and relative humidity besides the fuel conversion factor. Further, the Commission had also considered a correction factor of 1.05% for calculation of GHR for taking care of unforeseen factors affecting the SHR. Besides above, the Commission had also considered the Petitioner’s request for consideration of its gas based power plants as advanced F class machines qualifying for the recovery of higher O&M expenses as per MYT Regulations. The

Commission opines that a considerate view has already been taken towards the gas based generators pertaining to the constraints faced by them and adequate bailout packages have been considered by the Commission for safeguarding the near financial failure/collapse of the gas based generators in past.

Besides above, the request of the Petitioners w.r.t. the ambient temperature, relief in Regulations for gas based generators during start, stop & trips and relief of 2 to 3% to counter the effect of load changes and environmental condition variation if plant is running as must dispatch with full load, the Commission has observed that no special dispensation has been allowed by the Federal regulator while issuing the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2014 for the impact of the aforesaid issues. Electricity being a concurrent subject calls for resonance between the Federal Regulations and State Regulations. Therefore, the Commission finds no good reason to include any consideration for the same in the Intra State Deviation Settlement Mechanism and allow amendment in UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 as of now by invoking the provisions of Regulation 13 & Regulation 16 of the aforesaid Regulations.

- (2) With regard to contention raised by the Petitioners pertaining to trial runs, from the submission of SLDC, it is evident that the Petitioners were actively involved during the development and testing of the DSM software which shows that SLDC has adopted an inclusive approach during the DSM software development by giving a hands on experience of the software and its capabilities to the State constituents w.r.t. scheduling and DSM. Further, trial run opportunity was also given to the State constituents for the Real Time Market (RTM) module in the DSM software from 07.11.2020 to 31.01.2021 which is a sufficient period given by the nodal agency for providing a hands on experience of the software and its capabilities to the State constituents pertaining to scheduling and DSM. Therefore, the Commission opines that the Petitioners claim that they had not been provided an opportunity of trial runs is not correct.
- (3) With regard to the contention raised by the Petitioners pertaining to ABT main meters and Data Acquisition System/Automatic Meter Reading (AMR) System, SLDC in its reply has submitted that no discrepancy has been found in the main

and check meter data of the Petitioners for the months of February, 2021 and March, 2021. However, the Commission opines that installation of AMR System is need of the hour for efficient and timely preparation of DSM accounts as it bypasses the issues of manual interventions.

Further, with regard to the installation of main and check meters is concerned, the Commission has observed that as per PPA, the responsibility of installation of the same was of STU and in the instant matter STU did not promptly install the main and check meters as is evident from the submission of the Petitioners. The Commission opines that installation of main and check ABT compliant meters is a pre-requisite for successful implementation of Deviation Settlement Mechanism in the State and there has been a laxity on part of prompt installation of main ABT compliant meters.

- (4) With regard to the Petitioners claim that no information with regard to the commercial implications of the DSM Regulations have been provided to the Petitioners, it is evident that the Commission had issued DSM Regulations on 18.02.2017 and made it effective from 01.04.2018. However, understanding the various constraints in implementation of DSM, the Commission in its Order dated 26.08.2019 allowed a time extension upto 30.11.2019. Thereafter, SLDC submitted a 'draft Procedure for Scheduling on web-based scheduling portal' before the Commission vide its letter dated 22.11.2019. The said Procedure was approved vide Commission's letter dated 25.08.2020 which included certain provisions of RTM as per CERC Regulations. The nodal agency post approval of the '*Detailed procedure for submission/revision of DC/requisition & approval of Drawal/Despatch schedule by SLDC on web-based scheduling portal (www.uksldc.com) and for meter data collection, conversion, assessment during the period of meter failure/missing data, DSM calculation, billing, disbursement etc.*', started development of RTM module in its DSM software and trial run opportunity was given to the State constituents for the RTM module in the DSM software from 07.11.2020 to 31.01.2021 during which the State constituents had hands on experience of the scheduling and capabilities of the DSM software. The DSM accounts are being prepared from February, 2021 onwards and as per the nodal agency all the State constituents except the gas based generators have made their payments in the DSM accounts.

In this regard, the Commission has observed that a lot of time has elapsed since the date of notification of the DSM Regulations and believes that 'Ignorance of Law, is No Excuse' and therefore, the claim of Petitioners that they were not aware of the date of commercial implementation of DSM does not hold true in the 'Eyes of Law' when all the other State constituents including Open Access Consumers have deposited their dues in the DSM accounts as per directions of the nodal agency. However, the Commission is of the view that implementation of DSM calls for an inclusive approach and acceptance by all the State constituents in the DSM implementation process.

- (5) With regard to the contention raised by the Petitioners pertaining to the Real Time access of relevant data for taking decision and corrective action. In this regard, the Commission opines that for determination of deviation account the only variable which is not available to the Petitioners is the frequency value which is determined/reported/released by NRLDC for the Northern Region, rest variables such as scheduled generation and actual generation are available with the Petitioners. Therefore, the contention raised by the Petitioners that the Real Time access to relevant data for taking decision and corrective action in Real Time do not appear to be a genuine concern.
- (6) With regard to the contention raised by the Petitioners pertaining to 'negative commercial implications due to wrongful calculations resulting due to non-capturing of the declared capacity/despatch schedule in the scheduling portal', the Commission opines that sufficient provisions have been laid in the 'Procedure for Scheduling' which provides a free look period of 5 days wherein the State constituents can check/verify the DSM account and if not agreed the contentions/objection can be raised for which provisions have been provided in the Procedure adopted for Scheduling and Despatch.
- (7) With regard to the installation of AMR system, the Commission is of the view that installation of AMR system is required for efficient and flawless implementation of DSM. However, till the time the same is installed at all locations, the Petitioners shall continue to upload their MRI data on the web-portal for preparation of DSM accounts and PTCUL/UPCL shall ensure installation of AMR system in all the locations falling under their jurisdiction.

- (8) With regard to time synchronization of meters, the Commission acknowledge that the same impacts the correct assessment of deviation charges. The Commission is also aware of the fact that time drift in energy meters is an ongoing phenomena and even the meters installed at the inter State boundary experience the said issue from time to time. However, the Commission opines that the time synchronization issue should be resolved at the earliest once it is identified in a particular meter.

Besides above, it has come to the notice of the Commission that ABT compliant meters with feature of auto time synchronisation features based on GPS technology are available in PTCUL's network, such technology/feature should be extended at other locations also so that issue of time synchronization can be resolved.

The Commission opines that time synchronization of meters is of paramount importance for DSM as it is very important to bring the entire metering system at same platform. Further, the Commission opines that time synchronization of Meters participating in DSM is an important pre-requisite for successful implementation of DSM in the State, which as of now does not exist in several interface metering system.

- (9) With regard to the delay in deposition of DSM charges by the Petitioners, the Commission has observed that the DSM accounting for the other State constituents has also stalled due to non-payment of DSM charges by the Petitioners. In this regard, the Commission is of the view that the Petitioners can not be allowed to keep on citing the settled issues which have already been dealt sufficiently and adequately in past and at the same time can not be allowed to impede the entire process of DSM implementation when other State constituents have adhered to their responsibility of deposition of their dues based on deviation accounts.
- (10) With regard to the contention raised by the Petitioners pertaining to 'Installation of Standby Meters', M/s SEPL vide its letter dated 13.12.2019 has requested UPCL for installation of Standby Meters citing Clause 8.1.2 of SEPL/UPCL PPA dated 28.07.2016. In this regard, the Commission has observed that the Commission in its Order dated 20.07.2016 in the matter of 'application seeking approval of UERC on the Draft Power Purchase Agreement between UPCL & Sravanthi Energy Pvt.

Ltd.’ had specifically clarified regarding the standby energy meter as mentioned below:-

“

ff. Sub-Clause 8.1.2 of the draft PPA provides for “Metering” as follows:

*“In addition, the Seller shall also allow and facilitate STU in installation of one set of required main and **standby** special energy meters for accurate recording of energy supplied by Seller. For these STU meters, the Seller shall provide the required connection from EHV current transformers/ bushing CTs/ voltage transformers/ CVTs / EMVTs on EHV side of all generator-transformers, station transformers and outgoing lines, of meter accuracy of 0.2 class or better. The Seller may install any further Meters for its own comfort at its own cost.”*

The above mentioned Clause needs to be corrected and should be replaced as following:

*“In addition, the Seller shall also allow and facilitate STU in installation of one set of required main and **check** special energy meters in conformity with the specification and standards for interface meters provided in Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time for accurate recording of energy supplied by Seller. For these STU meters, the Seller shall provide the required connection from EHV current transformers/bushing CTs/ voltage transformers/ CVTs / EMVTs on EHV side of all generator-transformers, station transformers and outgoing lines, of meter accuracy of 0.2 class or better. The Seller may install any further Meters for its own comfort at its own cost.” [Emphasis Added]*

Thus, from the above, it is evident that the standby meter installation is not under the scope of UPCL or STU and the word ‘Standby’ has been replaced by ‘Check’ by the Commission in its aforesaid Order dated 20.07.2016.

Specific Issues raised by M/s SEPL & M/s GIPL

SEPL

- (11) With regard to the contention raised by the M/s SEPL pertaining to ‘marginal progress by the constituents in implementation of supporting infrastructure for DSM’, the Commission has taken note of the reply of the nodal agency herein it has been submitted that the claim of Petitioner regarding ‘marginal progress by the constituents in implementation of supporting infrastructure for DSM’ is faulty and only few activities at UJVN Ltd.’s end, timely submission of ABT meter data by UPCL/open access consumers, formation of validation committee etc. remained pending for some time. Further, from the SLDC’s reply it is evident that

majority of State constituents have deposited the Deviation charges payable in the State Deviation Pool Account for the month of February, 2021 and March, 2021 except the Petitioners.

From the above, the Commission opines that in case any supporting infrastructure required for successful implementation of DSM in the State is missing/yet to be installed, the same should be installed at the earliest.

Further, the Commission has observed that despite specific directions to SLDC with regard to conducting the workshops for proper dissemination of knowledge pertaining to DSM to all the State Constituents, the nodal agency has not taken measure for proper/effective dissemination of the same amongst State Constituents and in absence of the same, all State Constituents are not at the same level of information/knowledge, which is vital for successful implementation of the DSM project in totality. Understanding the need of proper/effective dissemination of information/knowledge amongst all the State Constituents prior to actual initiation of commercial implication of DSM. The Commission opines that it would not be prudent to kick start the commercial operation of the Deviation Settlement Mechanism in absence of uniform information/knowledge amongst the State Constituents. Hence the Commission directs SLDC to hold a co-ordination meeting with all the constituents including the Petitioners for the aforesaid knowledge sharing purpose in the matter of DSM implementation.

GIPL

- (12) With regard to tripping due to transmission line fault/constraint, M/s GIPL has requested for suspension of DSM during the period till the generating units getting established to the level prior to the trip because of the grid disturbance. In this regard, the Commission has observed that Regulation 7.5 (18) & Regulation 7.5 (19) of UERC (State Grid Code) Regulations, 2016 provides that:-

“ 7.5 Scheduling and Despatch Procedure

...

- (18) *In the event of bottleneck in evacuation of power due to any constraint, outage, failure or limitation in the transmission system, associated switchyard and sub- stations owned by the State Transmission Utility or any other transmission licensee involved in intra-state transmission (as certified by the SLDC) necessitating reduction in generation, the SLDC*

shall revise the schedules which shall become effective from the 4th time block, counting the time block in which the bottleneck in evacuation of power has taken place to be the first one. Also, during the first, second, third, time blocks of such an event, the scheduled generation of the IaSGS shall be deemed to have been revised to be equal to actual generation and the scheduled drawals of the beneficiaries shall be deemed to have been revised to be equal to their actual drawals

- (19) *In case of any grid disturbance, scheduled generation of all the IaSGS and scheduled drawal of all the beneficiaries shall be deemed to have been revised to be equal to their actual generation/drawal for all the time blocks affected by the grid disturbance. Certification of grid disturbance and its duration shall be done by the SLDC.*

The declaration of disturbance shall be done by the SLDC at the earliest. A notice to this effect shall be posted at its website by the SLDC of the area in which the disturbance occurred. Issue of the notice at SLDC web site shall be considered as declaration of the disturbance by SLDC. All State constituents shall take note of the disturbance and take appropriate action at their end."

Further, with regard to the effectiveness of the schedule from 4th time block as mentioned at Regulation 7.5 (18) above, the Commission vide its Order dated 13.04.2021 had held that:-

"10 ... the Commission is of the view that for harmonising the State Grid Code with the IEGC, it is imperative to make changes in the relevant Regulations of SGC and UERC DSM Regulations as follows:

1. *The time limits from 4th time block to 7th and 8th for odd & even time blocks for revision of scheduled amendment in Regulations 7.5 (17), (18), (20), (21), (22), (24), (27)(c) of the SGC. Therefore, the Commission in exercise of its power under Regulation 10.3 (Power to Remove Difficulties) of SGC directs that the time limits from 4th time block provided in the SGC be read as 7th time block for odd time blocks and any revision in schedule made in even time blocks shall become effective from 8th time block as provided in the IEGC [detailed at point No. 8(1) above] till amendments in the SGC are notified. "*

Thus from the above, it is evident that appropriate provisions have been kept in the Regulations for taking care of the issues pertaining grid disturbances and therefore the request raised by M/s GIPL has already been taken into consideration in the UERC (State Grid Code) Regulations, 2016.

- (13) With regard to the contention raised by M/s GIPL regarding the calculation of monthly ECR at scheduled energy as per provisions of Regulation 49 (5) of UERC

(MYT) Regulations, 2018. In this regard, the Commission opines that the aforesaid provision holds true for the thermal based central generators who have multiple beneficiaries. Since, multiple beneficiaries are there for thermal based central generators, it becomes difficult for them to generate as per the demand requirements of the various discoms on real time basis, hence, their natural tendency would be to inject more energy into the grid. Thus, in order to restrict the thermal based central generators making windfall profits by injecting more and more energy into the grid over and above their scheduled energy, the provision of recovery of monthly ECR based on scheduled energy has been kept. However, the aforesaid situation is different for the Petitioners, here the entire energy generated is sold to the sole beneficiary i.e. UPCL and it is easy to predict the energy requirement and modulating the generation from the gas based generators based on the requirement approved by SLDC.

The Commission would like to highlight that the interest of consumers of the State holds the top priority when it comes to power purchase and the entire strategy revolves around how to ensure availability of cheaper power for the consumers amongst the gamut of generators ranging from hydro, gas, coal and other sources. In the event of deficit energy situation on real time basis in the State, there exists a trade-off either to meet the deficit energy requirement by ramping-up the generation from the available generators based on merit order Or take power from the central pool through market on real time basis. The Commission opines that this decision of ramping-up of intra-state generators has to be taken prudently by the nodal agency especially for the intra-state generators having 'power purchase cost' above the 'average power purchase cost' based on the grid situation, power requirement of the State and real time power prices of the market.

The Commission has observed that in accordance with the provisions of Section 62 of the Electricity Act, 2003, the tariff of the Petitioners are determined on the basis of cost-plus regime. Therefore, the Petitioners are allowed to recover their cost alongwith normative return on investment. In case the monthly calculation of ECR is done on the basis of scheduled energy and not based on actual energy, condition would arise that the Petitioners would be paid higher monthly energy charges than their actual expenses on the fuel cost. In a cost-plus regime, a

Petitioner is entitled to recover his fuel expenditures in form of energy charge rate for the month and it should not be a source of additional income for the recovery of fuel charges which he has scheduled and not actually incurred. Further, the Commission opines that in the MYT regime the process of Truing up is to be adopted wherein the actual expenditures are taken into account while deriving the Truing up impact. The Commission finds no good reason to boomerang by first allowing monthly energy charges based on scheduled energy and subsequently doing annual Truing up based on actual energy. The Commission opines that the recovery of monthly ECR has to be legitimately based on actual expenses and a generator should not be allowed to recover energy charges against expenses for fuel which he has actually not incurred.

The Commission has observed that the Petitioners have PPA with UPCL according to which the beneficiary of the entire energy generated by them is UPCL. Therefore, the schedule of generation is linked to the requirement as per UPCL's demand. In Lieu of energy generation, UPCL is required to pay for the legitimate expenses incurred on fuel charges. As discussed above, the Petitioners are not expected to over inject (above their schedule) into the grid on their own, this judicious decision is to be taken by the nodal agency i.e. SLDC in the interest of the consumers of the State. The over injection by the Petitioners is expected to happen under rare condition of large grid disturbance or very high prices in the market, which is expected to happen in few instances in round the year. The Petitioners are an important state constituent and are expected to strictly adhere to their schedule by not deviating from their committed schedule. As far as recovery of AFC is concerned for the Petitioners, the same is already safeguarded by the norm that in the event of backing-down as per SLDC's instruction based on UPCL's requirement, the appropriate consideration is given while calculating the Plant Availability Factor/AFC. As far as recovery of energy charges is concerned, the Commission intends to ensure recovery of energy charges incurred on fuel expenses as per actual generation.

Any gaming done by the gas based generators by deliberately scheduling less and injecting more into the grid would bring them under the radar of gaming and they would be entitled for action under the provisions of Regulation 6 (3) of the UERC

(Deviation Settlement Mechanism and Related Matters) Regulations, 2017 which provides that:-

“

6. Declaration, Scheduling and Elimination of Gaming

...

- (3) *The Commission, either suo-moto or on a Petition made by SLDC, or any affected party, may initiate proceedings against any State Constituent namely Generator, Distribution Licensee, Open Access Consumer etc. on charges of gaming and if required, may order an inquiry in such manner as decided by the Commission. When the charge of gaming is established in the above inquiry, the Commission may, without prejudice to any other action under the Act or Regulations there under, disallow any Charges for Deviation received by such State Constituent during the period of such gaming.”*

Further, Regulation 7.4 (18) of UERC (State Grid Code) Regulations, 2016 provides that:-

“

7.4 Demarcation of responsibilities

- (18) *The quantum of penalty for the first mis-declaration for any duration/block in a day shall be the charges corresponding to two days fixed charges. For the second mis-declaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis- declarations, the penalty shall be multiplied in the geometrical progression over a period of a month.”*

From the above, the Commission is of the view that the monthly Energy Charge Rate calculation should be determined based on the actual energy and not on the basis of scheduled energy as per Regulation 49 (5) of UERC (MYT) Regulations, 2018 considering the fact that this transaction of energy is purely bilateral wherein the entire energy generated by the generators is provided to its the sole beneficiary i.e. UPCL. Therefore, exercising the powers conferred under Regulation 13 ‘Power to Relax’ of UERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2017 and powers conferred under Regulation 104 ‘Powers to Remove Difficulties’ of UERC (MYT) Regulations, 2018, the Commission decides to allow calculation of total energy charge payable to the generating company for a month based on actual energy (ex-bus) for the month in Regulation 49 (5) of UERC (MYT) Regulations, 2018. Further, the Commission would

highlight that the aforesaid issue has already been addressed in UERC (MYT) Regulations, 2021.

- (14) With regard to the ramp-up or ramp-down of the gas-based generators as per the revision of requisition by UPCL, the Commission is of the view that the instructions for the same should be routed through SLDC and not directly by UPCL to the Petitioners. Further, SLDC after taking UPCL under confidence in the interest of the State Power Sector may instruct the generators specially for ramp-up operation duly considering the factor of grid & power situation on the Real Time basis for minimizing the inter-State transaction of electricity resulting in levy of deviation charges.
- (15) The Commission is of the view that the basic intent of DSM Regulations is to maintain grid discipline and ensure that every constituent adheres to their schedule and helps in maintaining the grid discipline. Therefore, the Petitioners should adopt a progressive and co-operative approach for making implementation of DSM a success and not resort to making frivolous justifications for delaying the implementation of DSM. However, the Commission cannot ignore the constraints pertaining to time synchronization and installation of data acquisition system which are vital for the flawless implementation of DSM in the State.
23. Based on the above, the Commission decides **to extend the date of start of commercial implementation of DSM from 01.12.2019** (as set in its Order dated 26.08.2019) **to 01.01.2022 and all the commercial/financial implication shall be effective from 01.01.2022 onwards** and directs: -
- (1) SLDC shall convene a co-ordination meeting with all the State Constituents and organize doubt clearing session w.r.t. Scheduling, Software use and other issues pertaining to flawless implementation of DSM in the State **within 15 days** of this Order.
 - (2) **Time Synchronization of meters-**
 - (i) SLDC shall issue necessary instructions to the concerned State Constituents/Utilities for time synchronization of all the ABT compliant meters/ Special Energy Meters (SEMs) prior to **31.12.2021**.

- (ii) The State Constituents shall closely monitor for any time drift in SEMs from time to time from **01.01.2022** onwards.
 - (iii) On receipt of any time drift issue from the State Constituents, SLDC shall issue necessary directions to the concerned for rectification of the same.
- (3) SLDC shall ensure installation of AMR System at all the State Constituents end latest by **31.03.2022**, so that from **01.04.2022** onwards '**Weekly DSM Accounts**' can be prepared in accordance with the DSM Regulations and 'Procedure for Scheduling & Despatch'. Further, SLDC shall ensure preparation/issuance of '**Monthly DSM Accounts**' to the State Constituents as per the DSM Regulations and 'Procedure for Scheduling & Despatch' approved for the same from **01.01.2022 to 31.03.2022**.
- (4) SLDC shall refund the amount deposited against the DSM accounts by the respective State Constituents for the month of **February, 2021 and onwards till date**.
- (5) The State Constituents shall raise their concerns pertaining to DSM calculations, if any before the nodal agency within 05 days of issuance of DSM accounts as per the 'Procedure for Scheduling & Despatch' approved by the Commission.

Ordered accordingly.

(M.K. Jain)
Member (Technical)

(D.P. Gairola)
Member (Law)