



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO. B-70/2

IN REGARD TO THE APPLICATION OF SLDC REGARDING
GUIDELINES FOR IMPLEMENTATION AND SMOOTH
TRANSITION OF STATE LEVEL ACCOUNTS FOR DEVIATION
SETTLEMENT CHARGES IN VIEW OF THE CENTRAL
ELECTRICITY REGULATORY COMMISSION (DEVIATION
SETTLEMENT MECHANISM AND RELATED MATTERS)
REGULATIONS, 2022

**PRESENT:
SRI MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 06.12.2022



Order of the Commission regarding guidelines for implementation and smooth transition of state level accounts for Deviation Settlement charges in view of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022



Facts in brief:

- 1.0 The Commission has notified the West Bengal Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021 vide notification no 73/WBERC dated 26.11.2021 (in short 'WBERC DSM Regulations 2021') with an objective to maintain grid discipline by imposing deviation charge to intra-state entities viz. the Distribution Licensees, Generating Companies and Open Access customers for any deviation from their schedule. Rates for such deviation charges were made similar with the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 as amended from time to time (in short 'CERC DSM Regulations 2014'), to maintain parity between State and Central Regulations and also to ensure that penalty for deviation in respect of the State utilities is properly reflected in the accounts of intra-state entities.
- 2.0 Now, the Central Electricity Regulatory Commission (CERC) has subsequently issued the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 (in short 'CERC DSM Regulations 2022') by repealing the previous regulation i.e., CERC DSM Regulations 2014. The said regulation will be effective from 05.12.2022 as per Notification No. L-1/260/2021/CERC dated 31.10.2022 of CERC.
- 3.0 On perusal of the said regulation, the Commission observed that in the new CERC DSM Regulations 2022, CERC has brought radical changes by delinking frequency from the deviation charge rate.. For each time block, the weighted average cost of ancillary service deployed shall be the deviation charge rate. The grid entities i.e. drawee as well as injecting entities will have no linking about the rate which will be determined post facto.
- 4.0 To facilitate integrated grid management, it is required to maintain parity between the State Regulation and Central Regulations. The Commission observes that the new concept of CERC needs f detail analysis and impact assessment in view of State specific conditions before adopting the principles through amendment to WBERC DSM Regulations 2021 duly following the procedure of previous publication specified under the Electricity Act 2003.
- 5.0 Under these circumstances, the State Load Despatch Centre (SLDC) apprehended certain difficulties in implementation of the WBERC DSM Regulations 2021 where it is linked with



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the CERC DSM Regulations 2014 and sought necessary guidelines for proper implementation and smooth transition of state level accounts for deviation settlement charges vide letter dated 24.11.2022.

- 6.0 Considering some interlinks between WBERC DSM Regulations 2021 and CERC DSM Regulations 2014, as amended from time to time, it is felt necessary to address those issues to avoid complications post repeal of CERC DSM Regulations 2014.

Order

- 7.0 In view of the above, the Commission using its power of removal of difficulties under regulation 5.6 of the West Bengal Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021, issues the following directives as an interim measure for computation of state level accounts for deviation settlement charges till the Commission comes out with amended Regulations:

- a. SLDC shall consider 15-minute time block wise "Normal Rate of Charges for Deviation" determined under CERC DSM Regulations, 2022 (herein after referred as "Normal rate"), where ever applicable.
- b. SLDC shall consider the "State Volume Limit" as 100 MW, in line with limit for higher charges specified for Buyers (other than the buyer with schedule less than 400 MW and RE rich state) as in the CERC DSM Regulations 2022.
- c. For imposing additional penalty of deviation in terms of regulations 3.3.4 and 3.3.5 of WBERC DSM Regulation 2021, when frequency is below 49.85 Hz or above 50.10 Hz the "Normal Rate of Charges for Deviation" of the respective time block shall be considered. For this purpose, SLDC shall get the block-wise frequency from the ERLDC for calculation purpose. Alternatively, SLDC may consider the block-wise SCADA frequency used for network management for the time being.
- d. For all other purpose, SLDC shall follow the provisions specified in WBERC DSM Regulation 2021.



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e. This order shall come into effect from 00:00 hours of 05.12.2022.

8.0 SLDC and all utilities under the purview of this Commission are to take a note of this order.

9.0 A copy of the order shall be posted in the website of the Commission.

10.0 SLDC and all utilities shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

DATED: 06.12.2022

Sd/-
SECRETARY