



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. OA-463/23-24**

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROPRIATE ORDER REGARDING PAYMENT OF REACTIVE COMPENSATION CHARGES BY THE STATE GENERATING COMPANIES UNDER REMOVAL OF DIFFICULTIES OF WEST BENGAL ELECTRICITY REGULATORY COMMISSION (STATE ELECTRICITY GRID CODE) REGULATION, 2007.

PRESENT:

**DR. MALLELA VENKATESWARA RAO, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 28.12.2023



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Facts in brief:

- 1.0 West Bengal State Electricity Distribution Company Limited (WBSEDCL) has submitted an application vide letter dated 12.10.2023 for Issuance of appropriate order regarding payment of Reactive Compensation Charges by the state generating companies under removal of difficulties of West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2007. The petition dated 12.10.2023 has been admitted by the Commission on 28.11.2023 in Case No. OA-463/23-24.
- 2.0 Brief details of the petition as submitted by WBSEDCL are as below:
- Generating Companies are exempted to pay Reactive Compensation (VARH) Charge as per Clause 7.5 of the West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2007 which was notified on 04.04.2007 vide Notification Number 34/WBERC.
 - As per Clause 6.6 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2010, generating stations are excluded from the purview of sharing of the Reactive Charge (VARH).
 - West Bengal Electricity Regulatory Commission vide its suo-moto order dated 21.07.2016 directed SLDC to follow some guideline regarding settlement of reactive energy charge among the beneficiaries in the state of West Bengal except state generating companies till preparedness of SLDC for 15 minutes time block wise reactive energy accounting with Indian Electricity Grid Code Regulation.
 - Central Electricity Regulatory Commission further notified Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2023 on 11.07.2023 which has come into effect from 01.10.2023.
 - As per para 1 of Annexure-4 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2023, generating stations will be kept under the purview of sharing of the VARH charge.
 - Now, WBSEDCL has prayed before the Commission to amend the West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2007 and order dated 21.07.2016 of the Commission in line with the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2023 to keep the State Generating Stations under



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the purview of sharing of the VARH charge and pass an appropriate order for removal of difficulty in accordance with regulation 8.1 of the West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2007.

Observations of the Commission:

- 3.0 In terms of section 86(1)(h) of the Electricity Act 2003, the State Electricity Regulatory Commission has to specify State Grid Code consistent with the Grid Code specified by the Central Electricity Regulatory Commission under 79(1)(h) of the Electricity Act, 2003.
- 4.0 The provisions of the existing State Grid Code need to be reviewed in co-ordination with State Load Dispatch Centre (SLDC) considering the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulation, 2023 notified by Central Electricity Regulatory Commission as Central Electricity Regulatory Commission has implemented many changes including the provision of payment of VARH Charges.
- 5.0 The prayer of WBSEDCL to amend the West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2007 is noted and the Commission decides to consider the same appropriately while amending the State Grid Code Regulation under provision of Section 86(1)(h) of the Electricity Act, 2003 and take suggestions / objections and comments from the stakeholders.

Order:

- 6.0 In view of the above, the Commission disposes of the application of WBSEDCL.
- 7.0 A copy of the order shall be posted on the website of the Commission.
- 8.0 WBSEDCL shall download the copy of the order from the website of the Commission and act on it.

Sd/-
(PULAK KUMAR TEWARI)
MEMBER

Sd/-
(MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 28.12.2023

Sd/-
SECRETARY