



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. SM - 32 / 22-23**

IN REGARD TO SUO-MOTU ORDER OF THE COMMISSION REGARDING METHODOLOGY TO BE ADOPTED IN CASE OF SHORTFALL OF FUNDS IN THE SLDC-DS-FUND-WBSETCL IN TERMS OF REGULATION 5.6 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (DEVIATION SETTLEMENT MECHANISM AND RELATED MATTER) REGULATIONS, 2021

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

DATE: 10.03.2023



Suo-Motu order of the Commission regarding methodology to be adopted in case of shortfall of funds in the SLDC-DS-FUND-WBSETCL in terms of regulation 5.6 of the West Bengal Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021



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').
- 2.0 The Commission observes that regulation 3.2.3.2 of the WBERC DSM Regulations 2021 specifies the methodology of apportionment of net deviation charges in case of any shortfall of fund. The said regulations is reproduced below:

"..... In case of a shortfall of funds in the SLDC-DS-FUND-WBSETCL, then the same shall be recovered by levy of additional charge from those state entities who had net deviation charges payable for such time block, in proportion to the net charges payable by each such entity."

- 3.0 It has been brought to the notice of the Commission that, while giving effect to the provisions of the aforesaid regulation, participants of the SLDC-DS FUND-WBSETCL Pool are being burdened with significant extra charges.

OBSERVATIONS OF THE COMMISSION

- 4.0 In the existing methodology, for any 15 minute time block if pool balance is negative, that amount is being shared and when pool balance is positive that gets accumulated in the DS Fund. The Commission is of the view that the deviation of entities are already taken care of through DSM charges and Additional DSM charges, where deviation is beyond the volume limit. This pool difference comes out due to mismatch between total receivable amount and total payable amount among the state entities and the regional accounts. Thus, it is decided to socialize the net negative pool balance, if any, on weekly basis considering participation of the entities in the grid based on their scheduled energy.

ORDER

- 5.0 In view of the above, the Commission has analyzed the issue with the help of SLDC and it has now been decided by the Commission under Difficulty Removal Clause 5.6 that, in case the net aggregated pool balance of the SLDC-DS-FUND-WBSETCL pool over the entire



Suo-Motu order of the Commission regarding methodology to be adopted in case of shortfall of funds in the SLDC-DS-FUND-WBSETCL in terms of regulation 5.6 of the West Bengal Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2021



week (i.e. the aggregate of the pool balance for each 15 minutes time block for the entire week) becomes negative, this negative balance will be apportioned amongst all the entities participating in the pool in proportion to the aggregate schedule over the relevant week.

- 6.0 Further, the Commission decides to keep in abeyance the implementation of the provision of regulation 3.3.11.
- 7.0 These changes shall take effect from the 1st day of the accounting cycle in the 3rd week of March, 2023.
- 8.0 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 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: 10.03.2023

Sd/-
(SECRETARY)