



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

FRIDAY, THE 21ST DAY OF APRIL
TWO THOUSAND AND TWENTY-THREE
(21.04.2023)

Present

Justice C.V.Nagarjuna Reddy, Chairman
P.Rajagopal Reddy, Member
T.Rama Singh, Member

O.P.No.52 of 2022

In the matter of the Comprehensive Deviation Settlement Mechanism (C-DSM) and related matters Regulation for setting out the procedures to be followed & implemented for deviations/interchanges in respect of drawals & injections of energy into the Intra State Transmission network in the state of Andhra Pradesh.

Andhra Pradesh State Load Dispatch Centre (APSLDC) Petitioner

Andhra Pradesh State Load Dispatch Centre (APSLDC) has filed a petition praying the Commission to issue a Comprehensive Deviation Settlement Mechanism (C-DSM) and related matters Regulation for setting out the procedures to be followed & implemented for deviations/interchanges in respect of drawals & injections of energy into the Intra-State Transmission network in the State of Andhra Pradesh. The Commission heard the matter finally on 26.10.2022 in the presence of Sri P. Shiva Rao, learned standing counsel for APSLDC, and passes the following:

ORDER

1. APSLDC in its petition submitted that the APERC issued Regulation 2 of 2005 on Terms & Conditions of Open Access under section 42 (2) of the Electricity Act, 2003. As per the said Regulation, the DISCOMs are the deemed Open Access consumers of APTransco. That pending finalisation of a comprehensive settlement system for the State Pool under the ABT mechanism, the Commission issued Regulation 2 of 2006 specifying an Interim Balancing & Settlement Code for Open Access users. The consumer-side settlements of intra-state open Access transactions with wind / solar generators are being done as per Regulation 2 of 2006. APERC also issued Regulation 4 of 2017 for forecasting, scheduling, and Deviation Settlement of Solar and Wind Generation intra-state. The introduction of a commercial mechanism for Deviation Settlement for intra-state open access is very much necessary for the maintenance of Grid discipline. That the settlements of over draws/under draws by inter-state open access consumers are being done as per CERC's Regulations. Several Generators / Consumers connected to Intra State Transmission network are seeking inter-State OA, and their deviations are also to be settled without causing a burden to the incumbent DISCOMs. That if deviation charges on a weekly basis/monthly basis are levied, the State Generating Stations and APDISCOMs might strictly abide by Declared Capacities and Schedules respectively resulting in high grid discipline. Therefore, SLDC submitted that new comprehensive DSM regulations are necessary to replace the existing Interim Balancing & Settlement Code, Forecasting & Scheduling, DSM regulation applicable for Solar & Wind DSM.

2. The public notice on the petition has been hosted on the website of the Commission for inviting views/objections/suggestions from interested stakeholders. In response to the public notice, objections from five stakeholders have been received. APGENCO submitted that the draft regulation is to be issued to offer views/objections/suggestions. The other four objectors viz Sree Godavari Solar Energy Pvt Ltd, Hetero Wind Power Ltd, NATEMS Solar Power Pvt Ltd, and Bharath Wind Farm Ltd submitted that existing regulations have all necessary provisions to maintain the grid discipline and hence there is no need for a fresh comprehensive DSM regulation. Sri Sricharan Telaprolu, the learned counsel of the stakeholders during the hearings on 26.10.2022 submitted that in respect of the DSM regulation relating to Renewable Energy, a batch of writ petitions are pending before the Hon'ble High Court of Andhra Pradesh and that therefore if the Commission intends to make DSM regulations, the same may be confined only to conventional power.
3. After examination of the submissions of APSLDC and the objectors, the Commission is of the view that the Grid is to be operated in a very narrow band of frequency as provided in the Indian Electricity Grid Code (IEGC) and a commercial mechanism is necessary particularly for the DISCOMS and GENCO stations to ensure the grid discipline. All the inter-state transactions are governed by the CERC regulations and for which already the DSM is being implemented. The same kind of DSM mechanism is to be implemented intra-state to limit the drawals of the State as a whole from ISTS within limits. Hence, the Commission concurs with the views of the APSLDC and proposes to issue a fresh DSM regulation in due course of time keeping in view the latest developments following the regulatory process.

Hence, the APSLDC shall continue with the present procedures for the settlement of energy and deviations in respect of intra and inter-state open access users till the Commission issues a comprehensive DSM regulation.

4. Accordingly, the petition is disposed of.

Sd/-

Thakur Rama Singh
Member

Sd/-

Justice C.V. Nagarjuna Reddy
Chairman

Sd/-

P. Rajagopal Reddy
Member

