

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**NOTIFICATION**

No. L-7/25(4)-2003

Dated the 30<sup>th</sup> January 2004

In exercise of powers conferred by Section 178 of the Electricity Act, 2003 and all other powers enabling in this behalf, and after previous publication, the Central Electricity Regulatory Commission, hereby makes the following regulations, namely:-

**Short Title and Commencement**

1. (i) These regulations may be called the Central Electricity Regulatory Commission (Open Access in Inter-state Transmission) Regulations, 2004.
- (ii) (a) These regulations, except Clause (iii) of Regulation 6 shall come into force from the date of their publication in the Official Gazette;
- (b) Clause (iii) of Regulation 6 shall come into force after expiry of 90 days from the date of publication of these regulations in the Official Gazette and during this period of 90 days, reservation for short-term customers shall be done on first-come-first-served basis:

Provided that the period for such reservation shall not exceed the period of 90 days from the date of publication of these regulations in the Official Gazette.

**Definitions**

2. In these regulations, unless the context otherwise requires, -
  - (a) "Act" means the Electricity Act, 2003 (36 of 2003);
  - (b) "Allotted Transmission Capacity" means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed

to a long-term customer on the inter-state transmission system under normal circumstances and the expression "allotment of transmission capacity" shall be construed accordingly;

- (c) "Commission" means Central Electricity Regulatory Commission referred to in Section 76 of the Act;
- (d) "Direct customer" means a person directly connected to the system owned or operated by the Central Transmission Utility;
- (e) "Embedded customer" means a person who is not a direct customer;
- (f) "Existing beneficiary" means a person having firm allocation from a central power generating station on the date of coming into force of these regulations and who has entered into Bulk Power Transmission Agreement with the Central Transmission Utility;
- (g) "Grid Code" means the Grid Code specified by the Commission under Clause (h) of sub-section (1) of Section 79 of the Act and includes the Indian Electricity Grid Code applicable on the date of commencement of these regulations;
- (h) "Nodal agency" means the nodal agency defined in regulation 8 of these regulations;
- (i) "Open access customer" means a consumer permitted by the State Commission to receive supply of electricity from a person other than distribution licensee of his area of supply, and the expression includes a generating company and a licensee, who has availed of or intends to avail of open access;
- (j) "Reserved Transmission Capacity" means the power transfer in MW between the specified point(s) of injection and point(s) of drawal allowed to a short-term customer on the transmission system depending on

availability of transmission capacity and the expression "reservation of transmission capacity" shall be construed accordingly;

- (k) "Transmission Customer" means any person, including open access customer using transmission system of a transmission licensee;
- (l) Words and expressions used and not defined in these regulations but defined in the Act or the Grid Code, shall have the meaning assigned to them under the Act or the Grid Code, as the case may be.

### **Extent of Application**

- 3. These regulations shall apply for access to inter-state transmission system.

### **Categorisation of Transmission Customers**

- 4. (i) The transmission customers shall be divided into two categories, namely: -
  - (a) Long-term customers, and
  - (b) Short-term customers.
- (ii) The persons availing or intending to avail access to the inter-state transmission system for a period of twenty five years or more shall be the long-term customers:

Provided that the existing beneficiaries of a regional transmission system owned or operated by the Central Transmission Utility shall be deemed to be the long-term customers of the particular regional system owned or operated by the Central Transmission Utility for the purpose of these regulations.

- (iii) The transmission customers other than the long-term customers shall be the short-term customers:

Provided that the maximum duration for which the short-term access allowed at a time shall not exceed one year:

Provided further that the short-term customer shall be eligible and re-eligible to obtain fresh reservation after expiry of his term.

**Criteria for allowing transmission access**

5. (i) The long-term access shall be allowed in accordance with the transmission planning criterion stipulated in the Grid Code;
- (ii) The short-term access shall be allowed, if request can be accommodated by utilising: -
  - (a) Inherent design margins;
  - (b) Margins available due to variation in power flows; and
  - (c) Margins available due to in-built spare transmission capacity created to cater to future load growth.

**Criteria for Allotment/ Reservation of Transmission Capacity**

6. (i) Allotment priority of a long-term customer shall be higher than reservation priority of a short-term customer;
- (ii) In case of short-term customers, at given point of time, if all the requests for access can be accommodated, each short-term customer shall pay the transmission charges in accordance with regulation 16;
- (iii) (a) In case of short-term access, if the capacity sought to be reserved by the customers is more than the available transmission capacity at that point of time, the Regional Load Despatch Centre concerned shall invite snap bids through fax/e-mail;

- (b) The floor price for the bidding shall be the price determined in accordance with regulation 16;
  - (c) The bidders shall quote price in terms of percentage points above the floor price;
  - (d) The reservation of transmission capacity will be made in decreasing order of the price quoted;
  - (e) In case of equal price, if required, the reservation of transmission capacity shall be made pro rata to the capacity sought;
  - (f) The customer getting reservation for a capacity less than the capacity sought by him shall pay charges quoted by him and the customers getting transmission capacity reservation equal to the capacity sought by them shall pay charges quoted by the last customer getting reservation of transmission capacity;
- (iv) The Regional Load Despatch Centres shall, within 45 days, formulate a detailed procedure for reservation of transmission capacity to short-term customers, including the detailed procedure for bidding.

7. Within a category (long-term or short-term), there shall be no discrimination between open access customers and self-use by an integrated entity like the State Electricity Board. The transmission licensees shall declare existing long-term customers using their system (including self-use and use by unbundled agencies which were previously integrated) either on their own website or on the website of the Regional Load Despatch Centre or the State Load Despatch Centre concerned within 180 days. All future requests for use of the transmission system for inter-state transmission shall be handled in accordance with these regulations.

### **Nodal Agency**

8. (i) The nodal agency for arranging the long-term transmission access shall be the Central Transmission Utility if its system is used, otherwise the nodal agency shall be transmission licensee in whose system the point of drawal of electricity is situate;
- (ii) The nodal agency for the short-term transmission access shall be the Regional Load Despatch Centre of the region where point of drawal of electricity is situate.

### **Procedure for Long-Term Customer**

9. (i) An application for long-term access shall be submitted to the nodal agency;
- (ii) The application shall contain the details, such as capacity needed, point(s) of injection, point(s) of drawal, duration of availing open access, peak load, average load and such other additional information that may be specified by the nodal agency:

Provided that the nodal agency shall issue necessary guidelines, procedure and application forms within 30 days of publication of these regulations in the Official Gazette.
- (iii) The application shall be accompanied by a non-refundable application fee of Rs one lakh payable in the name and in the manner to be decided by the nodal agency;
- (iv) Based on system studies conducted in consultation with other agencies involved including other transmission licensees, the nodal agency shall, within 30 days of receipt of the application, intimate to the applicant whether or not the long-term access can be allowed without further system strengthening:

Provided that where the long-term access can be allowed without further system strengthening, this shall be allowed immediately after entering into commercial agreements.

(v) If, in the opinion of the nodal agency, further system strengthening is essential before providing the long-term access, the applicant may request the nodal agency to carry out the system studies and preliminary investigation for the purpose of cost estimates and completion schedule for system strengthening;

(vi) The nodal agency shall carry out the studies immediately on receipt of request from the applicant under clause (v) and intimate results of the studies within 90 days of receipt of request from the applicant;

(vii) The applicant shall reimburse the actual expenditure incurred by the nodal agency for system strengthening studies:

Provided that the fee of rupees one lakh paid by the applicant shall be adjusted against the actual expenditure to be reimbursed by the applicant.

10. The allotment of transmission capacity to a long-term customer may be relinquished or transferred to any other long-term customer in accordance with regulation 12 of these regulations.

### **Bulk Power Transmission Agreement**

11. A long-term customer shall enter into Bulk Power Transmission Agreement with the transmission licensee for use of inter-state transmission system.

### **Exit Option**

12. (i) A long-term customer shall not relinquish or transfer his rights and obligations specified in the Bulk Power Transmission Agreement, without prior approval of the Commission.

(ii) The relinquishment or transfer of right and obligations by a long-term customer shall be subject to payment of compensation, as may be determined by the Commission.

**Procedure for Short-Term Customer**

13. (i) A short-term customer shall submit an application for transmission access to the nodal Regional Load Despatch Centre;

(ii) The application shall contain the details such as capacity needed, point of injection, point of drawal, duration of availing open access, peak load, average load and such other additional information that may be specified by the Regional Load Despatch Centre;

(iii) The application shall be accompanied by a non-refundable application fee of Rs five thousand payable in the name and in the manner to be decided by the Regional Load Despatch Centre;

(iv) The reserved transmission capacity shall not be transferred by a short-term customer to any other customer.

**Non-Utilisation of reserved transmission capacity by short-term Customer**

14. (i) In case a short-term customer is unable to utilise, full or substantial part of the reserved transmission capacity reserved, he shall inform the Regional Load Despatch Centre along with reasons for his inability to utilise the reserved transmission capacity and may surrender the reserved transmission capacity;

(ii) The Regional Load Despatch Centre may reduce or cancel the reserved transmission capacity of a short-term customer when such a short-term customer frequently under-utilises the reserved transmission capacity;

(iii) The transmission short-term customer, who has surrendered the reserved transmission capacity or whose reserved transmission capacity has been reduced or cancelled, shall bear full transmission charges and the

scheduling and system operation charges based on original reserved transmission capacity and the period for which the transmission capacity was reserved;

(iv) The transmission capacity available as a result of surrender or reduction or cancellation of the reserved transmission capacity by the Regional Load Despatch Centre under clause (i) or clause (ii) above, may be reserved for any other short-term open access customer in accordance with these regulations.

### **Treatment of Existing Transactions**

15. Any person, other than the existing beneficiary, using the inter-state transmission system on the date of commencement of these regulations, shall be given 60 days notice by the Regional Load Despatch Centre to submit an application to the nodal agency for grant of access to the transmission system in accordance with these regulations.

### **Transmission Charges**

16. The transmission charges for use of the transmission system of the transmission licensee for inter-state transmission shall be regulated as under, namely:-

(i) The annual transmission charges shall be determined by the Commission in accordance with the terms and conditions of tariff notified by the Commission from time to time and after deducting the adjustable revenue from the short-term customers, these charges shall be shared by the long-term customers;

(ii) (a) The charges payable by a short-term customer shall be calculated in accordance with the following methodology:

$$ST\_RATE = 0.25 \times [ TSC / Av\_CAP ] / 365$$

Where:

ST\_RATE is the rate for short-term open access customer in Rs per MW per day.

**Note**

ST\_RATE shall be calculated and applied for each - (a) regional system; (b) inter-regional link, and (c) system of the State Transmission Utility or the State Electricity Board or any other transmission licensee forming part of the inter-state system.

"TSC" means the Annual Transmission Charges of the transmission licensee for the previous financial year determined by the Appropriate Commission.

"Av\_CAP" means the average capacity in MW served by the transmission system of the transmission licensee in the previous financial year and shall be the sum of the generating capacities connected to the transmission system and contracted capacities of other transactions handled by the system of the transmission licensee.

(b) The transmission charges payable by a short-term customer shall be for one day and in multiples of whole number of days.

(c) Non-availability of TSC for the transmission system shall not be reason for delay in providing transmission access and where TSC for any transmission licensee are not available, the per MW per day charge applicable for the system owned by the Central Transmission Utility of the region in which the system of transmission licensee is situate, shall be used.

(d) Every transmission licensee shall declare rate in Rs per MW per day, which shall remain fixed for a period of one year:

Provided that in case of north-eastern region, where the Uniform Common Pooled Transmission Tariff (UCPTT) of 35 paise/KWh is

applicable, the Central Transmission Utility shall notify ST\_RATE as 25% of the UCPTT in Rs/MW/Day.

Provided further that where reservation of transmission capacity has been done consequent to bidding in the manner specified in Regulation 6, the ST\_RATE shall be taken as the floor price for bidding.

(iii) 25% of the charges collected from the short-term customer shall be retained by the transmission licensee and the balance 75% shall be adjusted towards reduction in the transmission charges payable by the long-term customers.

#### **Scheduling and System Operation Charges**

17. (i) The scheduling and system operation charges of Rs.3000/-per day or part of the day shall be paid by a short-term customers to each Regional Load Despatch Centre and State Load Despatch Centre involved in the transaction;
- (ii) The scheduling and system operation charges collected by the Regional Load Despatch Centre in accordance with clause (i) above shall be in addition to the fees and charges approved by the Commission.

#### **Explanation**

Scheduling and system operation charges shall be payable by a generating company when allowed access under these regulations.

#### **Unscheduled Inter-change (UI) charges**

18. (i) The mismatch between the scheduled and the actual drawal at drawal point(s) and scheduled and the actual injection at injection point(s) shall be met from the grid and shall be governed by UI pricing mechanism applicable to the inter-state transactions;
- (ii) A separate bill for UI charges shall be issued to the direct customers and in case of the embedded customers, a composite UI bill for the State as a

whole shall be issued, the segregation for which shall be done at the State level.

**Reactive Energy Charges**

19. The payment for the reactive energy charges for the direct customers on account of open access shall be calculated in accordance with the scheme applicable to transactions involving inter-state transmission approved by the Commission from time to time.

20. The reactive energy charges payable to or receivable by the State Electricity Board or the State Transmission Utility shall be paid to or received from the pool by the State Electricity Board or the State Transmission Utility concerned and shall not be apportioned to the embedded customers.

21. The reactive energy draws and injections by the embedded customers shall be governed by the regulations applicable within the State concerned.

**Time-schedule for Processing Application**

22. As far as practicable, the following time schedule shall be adhered to by the respective nodal agency for processing of the application for grant of open access:

<b>S.No.</b>	<b>Type of service/activity</b>	<b>Maximum Processing time</b>
<b>1.</b>	<b>Short-Term Service</b>	
	Up to One day	12 hours
	Up to one week	Two days
	Up to one month	Seven days
	Up to one year	Thirty days
<b>2.</b>	<b>Long-Term Service</b>	
	Intimation regarding feasibility of access without system strengthening	30 days
	Intimation of results of studies for system strengthening with cost estimates and completion schedule	90 days

### **Curtailment Priority**

23. When because of transmission constraints or otherwise, it becomes necessary to curtail the transmission service of the transmission customers, the short-term customers shall be curtailed first followed by the long-term customers:

Provided that within a category, all users shall have same curtailment priority and shall be curtailed pro rata to the allotted transmission capacity in the case of long-term customers and the reserved transmission capacity in the case of short-term customers.

### **Other Commercial Conditions**

24. Other commercial conditions for transmission charges and scheduling and system operation charges, such as, terms of payment, creditworthiness, indemnification, and force majeure conditions shall be standardised within 60 days by the Central Transmission Utility for long-term customers and by the Regional Load Despatch Centre for the short-term customers .

### **Special Energy Meters**

25. The Special Energy Meters shall be installed by the direct customers and if required, also by the embedded customers.

26. The Special Energy Meters installed shall be capable of time differentiated measurements (15 minutes) of active energy and voltage differentiated measurement of reactive energy as specified by the Central Transmission Utility or the Regional Load Despatch Centre.

27. The Special Energy Meters shall be always maintained in good condition.

28. The Special Energy Meters for the direct customer shall be open for inspection by any person authorised by the Central Transmission Utility or the Regional Load Despatch Centre.

### **Energy losses**

29. The transmission customers shall bear average energy losses in the transmission system as estimated by the Regional Load Despatch Centre and the State Load Despatch Centre concerned. The energy losses in the transmission system shall be compensated by additional injection at the injection point(s). The information regarding average energy losses for the previous 52 weeks shall be posted on the website of the Regional Load Despatch Centres and the State Load Despatch Centres.

### **Compliance of Grid Code**

30. The open access customers shall comply with the provisions of the Grid Code in force from time to time.

### **Collection and Disbursement of charges**

31. (i) The transmission charges in respect of long-term customers shall be payable directly to respective transmission licensee;
- (ii) The transmission charges and the scheduling and system operation charges in respect of short-term customers shall be collected and disbursed by the nodal Regional Load Despatch Centre. The nodal Regional Load Despatch Centre may require the transmission charges and scheduling and system operation charges to be paid in advance for a maximum period of one month, the detailed procedure for which shall be finalised by jointly by the Regional Load Despatch Centres;
- (iii) The short-term customers shall pay 2% of the billed amount for transmission charges and scheduling and system operation charges as handling and service charges to the nodal Regional Load Despatch Centre and these charges shall not be adjusted against the Regional Load Despatch Centre fees and charges approved by the Commission;

- (iv) The collection and disbursement of the unscheduled inter-change charges and the reactive energy charges shall be governed in accordance with the procedure and methodology specified by the Commission from time to time.

### **Information System**

32. Each Regional Load Despatch Centre and State Load Despatch Centre shall post following information on their websites in a separate web-page titled “Open access information” :

- (i) Floor rate in rupees per MW per day for the short-term customers (ST\_RATE) for each - (a) regional system (b) inter-regional link, and (c) system of the State Transmission Utility or the State Electricity Board or any other transmission licensee with detailed calculations in support of such rate in respect of all the transmission licensees situate within the region or the State concerned;
- (ii) A status report on the current short-term customers indicating:-
- (a) Name of customer;
  - (b) Period of the access granted (start date and end date);
  - (c) Point(s) of injection;
  - (d) Point(s) of drawal;
  - (e) Transmission systems used (in terms of region and ownership);
  - (f) Reserved transmission capacity; and
  - (g) Applicable rate (Rs per MW per day).

#### **Note**

The status report shall be updated upon every change in status.

- (iii) Month-wise and year-wise report on past short-term customers indicating:
- (a) Name of the customer;
  - (b) Period of the access granted (start date and end date);
  - (c) Point(s) of injection;
  - (d) Point(s) of drawal;

- (e) Transmission systems used (on the basis of region and ownership);
- (f) Reserved transmission capacity;
- (g) Applicable rate (Rs per MW per day); and
- (h) Actual load factor.

**Note**

All previous reports shall also be available in the web-archives.

- (iv) Information regarding usage of the inter-regional links and the links between the Central Transmission Utility and state systems (in case of the Regional Load Despatch Centre) and inter-state links (in case of State Load Despatch Centre) indicating:
  - (a) Time of updating;
  - (b) Name of the link;
  - (c) Total transmission capacity of the link;
  - (d) Scheduled capacity use (giving customer-wise break-up); and
  - (e) Current capacity of the link in use.

**Note**

This information should be updated at least on hourly basis, and where ever feasible on 15 minute basis.

- (v) The information regarding average energy losses for the previous 52 weeks.

33. The publication of the web-based information system shall commence within 30 days in case of the Regional Load Despatch Centres and within 180 days in case of the State Load Despatch Centres. Each transmission licensee shall make available the above information to the Regional Load Despatch Centre or State Load Despatch Centre concerned.

34. All transmission licensees shall declare current long-term customers using their system (including self-use and use by unbundled agencies which were previously integrated) with details thereof either on their own websites or on the website of the

Regional Load Despatch Centre or the State Load Despatch Centre concerned, within 180 days.

**Note**

This list shall be updated as and when change in status takes place.

**Redressal Mechanism**

35. All complaints regarding unfair practices, delays, discrimination, lack of information, supply of wrong information or any other matter related to open access in inter-state transmission shall be directed to the Member Secretary, Regional Electricity Board or Regional Power Committee, as the case may be, of the region in which the authority against whom the complaint is made, is located. The Member Secretary, Regional Electricity Board or the Regional Power Committee, as the case may be, shall investigate and endeavour to resolve the grievance:

Provided that any matter which the Member Secretary, Regional Electricity Board or the Regional Power Committee, as the case may be, is unable to resolve, shall be reported to the Commission for a decision.

**Coordination**

36. The responsibilities assigned to the Regional Load Despatch Centres of formulation of procedures, guidelines and application forms under these regulations shall be coordinated by the Central Transmission Utility.

(A.K. SACHAN)  
SECRETARY