

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO. 220-21, SECTOR 34 A, CHANDIGARH**

**Petition No. 6 of 2018
Date of Order:04.05.2018**

Present: Ms. Kusumjit Sidhu, Chairperson
Sh. S.S. Sarna, Member
Ms. Anjuli Chandra, Member

In the matter of: Petition under Section 23 of the Electricity Act, 2003 seeking regulatory guidance for measures to be taken in case of exigencies leading to power cuts for the Tariff Year 2018-19.

AND

In the matter of: Punjab State Power Corporation Limited (PSPCL), The Mall, Patiala.

ORDER

PSPCL has filed this petition under Section 23 of the Electricity Act, 2003 seeking regulatory guidance and concurrence of the Commission for the measures to be taken by it for load regulation and imposing power cuts in case of exigencies and system requirements.

2. The submissions made by PSPCL in the Petition are summarized as under:

- i) PSPCL is providing the basis, assumptions & projections of the elements constituting the determination of demand/supply gap, the prevalent regulations and the extent of power regulatory measures required to be imposed on various categories of consumers for compliance to National/State grid code during FY 2018-19.

- ii) The endeavour of PSPCL as a distribution licensee is to ensure uninterrupted power supply to all of its consumers and regulate the supply only in case of unavoidable exigencies.
- iii) There would be a surplus availability of electricity to PSPCL during FY 2018-19 and it is expected that the requirement to regulate supply to consumers and imposing power cuts would be minimal, only to take care of unexpected events and circumstances. However, even in case of surplus scenario, eventualities mentioned below cannot be ruled out in the power system which may require regulation of load and supply:
 - a) The forced outage of the generating units especially of larger capacity IPPs in the State for longer duration.
 - b) Any downward revision in the Central Sector schedule due to longer duration on account of forced outage of Central Sector Generating Units, in which the State has a major stake.
 - c) To keep the system running within the limitations of the grid code in the event of any reduction/restriction of internal generation due to forced outage/unforeseen reasons and limitation of the transmission/ sub transmission network.
 - d) The violation of the operating frequency band beyond the specified limit attracts severe penalties for over drawl from the system in real time operation within the grid code limitations as such the regulation of load through

the implementation of the power regulatory measures may be necessitated on real time basis.

- e) In addition, the scheduled commissioning of the new generating Hydro electric plants may also get delayed and the energy which is envisaged to remain available during FY 2018-19 become uncertain.
 - f) Any other contingency, where availability of power is not able to meet the demand.
- iv) In the scenarios and circumstances as mentioned above, PSPCL may be required to bridge the demand / supply gap within Punjab control area on real time basis by imposing various regulatory measures. Under the Electricity Act, 2003 while the management of load is to be taken care of by the licensees, a provision in Section 23 enables the Commission to decide the principles and basis on which the regulation in power can be done, to the extent possible in case of exigencies and circumstances that may arise.
- v) PSPCL proposes the following regulatory measures to be taken in case it becomes imperative to impose power regulatory measures and impose power cuts:
- a) To regulate the supply by imposing power cut on feeders controlling supply to the 24 hours UPS/Urban-Industrial Cat-1/Main cities / District Head Quarters.
 - b) To impose weekly off day(s) on LS & MS category of industrial consumers fed from category 2 & 3 industrial feeders.
 - c) To restrict the drawl of the LS & MS category consumers

(fed from category 2&3 feeders) to the extent required for keeping the system running within the grid code limitations during peak load hours as well as off-peak hours, who are availing time of the day tariff.

- d) To restrict the drawl of power by continuous process (category 4) consumers to the extent of their continuous process load allowed to them during peak/ off peak load hours, as per the policy approved by the Commission.
 - e) To regulate power supply to AP consumers.
 - f) Any other additional regulatory measures to the left out category of consumers in case of exigencies of outage of own / central sector generating units or transmission/ sub-transmission network of ISTS/ STU or any of the major grid elements ICTs etc.
- vi) PSPCL further stated that in FY 2018-19, the regulatory measures shall be imposed on the real time basis depending upon the real time gap in the demand and supply of power and other system constraints. The National/State grid code limitations shall also be kept in view while imposing regulatory measures.
- vii) PSPCL shall however make its best endeavour not to impose any regulatory measures and shall on its part:
- a) Impose minimum Scheduled Power Regulatory Measures / Scheduled Power cuts for which the consumers will be informed in advance about the schedule of power cuts and regulatory measures.
 - b) Unscheduled load shedding, if any, shall only be

imposed during sudden outage of generating units or exigencies in the grid. Duration of such load shedding shall be kept to be as minimum as possible

viii) The petitioner has prayed to:

- a) Admit and take on record the present petition filed by PSPCL on the regulatory measures proposed to be taken for the purpose of maintaining equitable distribution of power supply throughout the State of Punjab and to operate the grid in a most economical and efficient manner in compliance to the IEGC/State Grid Code provisions.
- b) Provide guidance on the regulatory measures proposed by PSPCL as detailed hereinabove and make such modifications in the proposal of PSPCL as the Commission may deem just.
- c) Pass such Order(s) as the Commission may deem just in facts of the present case.

3. The Petition was taken up for hearing on 07.03.2018. The Commission vide its Order dated 16.03.2018 admitted the Petition and directed PSPCL to publish Public Notice in terms of Regulation 67 of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005. PSPCL was further directed to submit specific proposal indicating the priority of exigencies and plan for imposing power cuts feeder wise and area wise for each exigency. Vide the aforesaid Order the Commission fixed the hearing as well as Public Hearing on 03.04.2018.

4. PSPCL vide Memo No. 330/Pet-6 of 2018 dated 21.03.2018 submitted the proposal regarding prioritizing the category of feeders for application of power cuts / power regulatory measures/weekly - off days onto various categories of consumers as below:

- i) AP Feeders: Curtailment in Running Hours
- ii) Rural Feeders/UPS/Kandi Feeders: Power Cut for certain period in rotation depending on the requirement in real time
- iii) Category-1 Feeders : Power Cut in rotation depending on the requirement in real time
- iv) Category-2 Feeders, Category-3 Feeders: Restricting the drawl of the LS & MS category consumers to the extent required for keeping the system running within grid code limitations / Imposing Weekly-Off Day on LS & MS category of consumers
- v) Category-4 Feeders feeding continuous process status: To restrict the drawl of power by Continuous process consumers to the extent of their continuous process load allowed to them during peak / off peak load hours.

5. After approval of the Commission, PSPCL issued the public notice for inviting comments/ objections/suggestions from general public and stake holders, which was published on 09.03.2018 in the leading newspapers namely, 'Punjab Kesari', 'The Tribune' and 'Ajit'. The last date for submission of objections/comments was fixed as 15 days from the publication of the notice. In response to thereof suggestions/ comments from the following 4 objectors were

received by the due date.

- i) Mandi Gobindgarh Induction Furnace Association (Regd.), Grain Market, Mandi Gobindgarh.
- ii) Siel Chemical Complex, New Delhi.
- iii) Nahar Fibres, Industrial Area-A, Ludhiana.
- iv) Cycle Trade Union (Regd.), Ludhiana.

6. The suggestions/comments received from above objectors relating to the petition, have been summarized as under:

- i) The assumptions taken for calculations of power availability and consumption depicted in Annexure A of Petition have not been made available for information of the stake holders. PSPCL was earlier supplying complete details of the month wise data of actual demand and availability for last three years along with assumptions taken for calculations for information of the stake holders which has now been dispensed with. Further, PSPCL has not indicated short term purchases and banking in its petition.
- ii) Similarly, actual power cuts imposed in FY 2016-17 and FY 2017-18 have also not been disclosed.
- iii) In view of surplus scenario, PSPCL request for imposing power cuts/regulatory measures is not justified. On the contrary it should encourage the consumers to consume more in order to avoid backing down of their power plants. PSPCL has not indicated the relief available from various power regulatory measures measure. Further, imposing Regulatory measures will defeat the aim of GoP to revive the industry in Punjab. If at all required,

these shall only be on real time shortages.

- iv) In view of prevailing high cost of power in short term market, limited availability of coal stock with IPPs in Punjab and critical coal stock of many coal based CGS, PSERC needs to direct PSPCL to keep the 2 units of GGSSTP Ropar to be available during the coming paddy.
- v) The industry being the back bone of economy for any State, under such conditions, Industry in general and consumers fed from category 4 i.e. continuous industry in particular, should be the last to bear the power regulatory measures. As such, the merit order of the categories/services for imposing the regulatory measures to achieve the objectives in Section 23 of the Act, may kindly be decided by PSERC.
- vi) The ATC/TTC of 6700/6100 MW needs to be reassessed for the coming paddy season in view of new capacities commissioned as well as retiring of 4 units of GNDTP Bhatinda and 2 units of Ropar thermal plants.
- vii) In case PSPCL still seeks permission to impose regulatory measures on the industry, then payment of Fixed Charges also need to be regulated i.e. reduced in proportion to twice the duration of regulatory measures to compensate the consumers.

7. The replies to the objections submitted by PSPCL are as under:

- i) The detail provided in the Annexure-A contains

anticipated demand and availability of energy (in MU) available to PSPCL for the FY 2018-19 and has been extracted from the ARR already filed before the Hon'ble Commission for the FY 2018-19, after incorporating the impact of shutting down of Generating Units of Bathinda Thermal Plant and Stage-1 of Ropar Thermal Plant. The basis and assumptions taken while calculating the anticipated demand/supply gap have already been explained under points 5 and 6 of the instant petition. However, in the real time operation, the plants are run as per Merit Order i.e. the costliest powers remain surrendered. Thus, if the power is purchased under Short Term Agreement at the comparative lower rates, the same will be more economical as well as reliable for PSPCL.

- ii) No notified power cuts have been imposed by PSPCL on any category of consumers of PSPCL during last two years.
- iii) There is no denying the fact that PSPCL has anticipated surplus scenario throughout the year but the fault in the power system cannot be ruled out leading to mismatch between demand & supply and thus necessitating the imposition of power cuts / regulatory measures on to the consumers. The petition has been filed for seeking guidance for regulating the load in the event of eventualities explained in the petition.
- iv) The revival of Stage-1 of Ropar Thermal Plant falls under the prerogative of the Govt. of Punjab.

- v) Chronological order for power regulation generally followed by PSPCL is;

AP Consumers→UPS Rural Supply→Category-1→Category2 & 3 (Industrial Consumers)→Category-4 (Continuous Process Status Industrial Consumers).

However, if advised by the Hon'ble Commission, a particular sequence shall be followed. The regulation of load shall only be carried out depending upon the real time shortages and the nature of fault in the power system/equipment.

- vi) The calculation & submission of ATC/TTC limit of Punjab to Power Grid falls under the purview of SLDC/PSTCL. The matter is vigorously being pursued by PSPCL/PSTCL with NRLDC for the increase in TTC limit of Punjab.
- vii) The power regulation will be done only in case of exigencies as explained in the petition. Moreover, occurrences of such type of exigencies are unforeseen and may not directly be under the control of PSPCL. However, PSPCL will try its best to minimize the duration of regulation of power.

8. The Commission vide its Order dated 03.04.2018 has ordered as under:

“As per Order dated 25.05.2017 in Petition No. 01 of 2017, the Commission has authorized PSPCL to impose power cuts, peak load hours restrictions and other regulatory measures, in case of exigencies & system requirements only, for FY 2017-18. PSPCL has filed the

present Petition seeking permission for imposing regulatory measures for FY 2018-19. The same is under consideration of the Commission and is likely to take some more time. As such, the applicability of the Order dated 25.05.2017 is extended till the disposal of the present Petition.”

9. The Petition was taken up for hearing as well as for public hearing on 03.04.2018. The persons/organizations interested in presenting their views/suggestions in the matter were invited to participate in the hearing dated 03.04.2018. After hearing PSPCL and objectors present in the public hearing on 03.04.2018, the Commission reserved the Order.

10. Commission’s Observations and Findings

After considering the submissions made by the PSPCL, objections/comments raised/made by the consumers/organizations and reply of PSPCL thereon, Commission observes and decides as under:

- a) The Commission is of the view that since PSPCL is expected to remain surplus in power, as such no power cut /regulatory measures are required to be imposed.**
- b) However, the Commission is also of the view that unexpected events and circumstances resulting in imbalance in power, cannot be ruled out and may require to impose regulatory measures to maintain grid security.**
- c) The Commission also notes that the regulatory measures taken to ensure grid security are imposed for minimum necessitated period(s) only. Since it is**

imposed for short periods and on feeders/consumers scattered across the State, the demand for waving off/ regulating the fixed charges during the closure of a unit due to imposition of power regulation does not appear to be feasible.

d) The Commission, therefore, authorizes PSPCL to impose regulatory measures including rotational power cuts so as to bridge the gap between demand and supply, in case of exigencies & system requirements only. The approval of the Commission in this respect is subject to the following:

i) In view of surplus power available with PSPCL, routine power cuts and compulsory weekly off day(s) will not be imposed in Punjab, on any category of consumers.

ii) However, if regulatory measures for maintaining Grid are necessitated in case of any exigency; PSPCL may take Regulatory Measures/ impose rotational Power cuts for which, information will be given to the concerned consumers through SMS/E-Mail (including written intimation, wherever possible) and same shall also be uploaded on its website.

iii) Unscheduled load shedding, if any, shall only be imposed during sudden outage of generating units or exigencies in the grid. The duration of such load shedding shall be kept to be as minimum as possible.

- iv) **The Commission shall be informed regarding emergency situations and resultant system constraints, reasons thereof and details of power cuts imposed feeder wise along with duration at the earliest.**

The petition is disposed of accordingly.

Sd/-

**(Anjuli Chandra)
Member**

Sd/-

**(S.S. Sarna)
Member**

Sd/-

**(Kusumjit Sidhu)
Chairperson**

Chandigarh
Date 04.05.2018

